

May 12, 1958

Better Way to Tell
The Railroad Story?

RAILWAY AGE *weekly*



Men Who Build The Future of American Railroads

"The management of the North Western is dedicated to a program of mechanization and modernization of methods and procedures in yards, offices, shops and in all phases of maintenance and operation. It holds to this policy as one of the keys that will unlock the potentials of railroads to utilize to even a greater degree their inherent advantage to produce mass transportation at the lowest possible cost. By producing mass transportation more efficiently than has ever been known before, we will grow with the service that we render to the shipper, to the public and to the country."

C. J. FITZPATRICK, President
Chicago & North Western Railway Company

Evidence of the C. & N. W.'s progress is the program to modernize and upgrade its oldest Diesel locomotives. The North Western recently turned in 32 F3 freight locomotives for more powerful and more versatile GP9's.

ELECTRO-MOTIVE DIVISION • GENERAL MOTORS
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AAR CAR OIL
(STRAIGHT MINERAL OIL)

TEXACO CAR
OIL 1960

Improved
TEXACO CAR OIL
1960 HD

FRICITION-INCH POUNDS

LOAD-POUNDS

IMPROVED FRICTION CHARACTERISTICS of Texaco Car Oil 1960 HD are graphically illustrated here. Small-scale testing equipment used AAR babbitt and steel pins.

HIGH WEAR RESISTANCE of new Texaco Car Oil 1960 HD makes possible extremely heavy loads. Special additives prevent mass shifting of babbitt under stress.

MAXIMUM PERMISSIBLE LOAD

Improved
TEXACO CAR OIL
1960 HD

TEXACO CAR
OIL 1960

AAR
CAR OIL
(STRAIGHT
MINERAL OIL)

Comparison tests prove Texaco Car Oil 1960 HD **CUTS HOTBOX RATE**

Real differences do exist among car oils. Wicking rate, load-carrying capacity and friction characteristics, all affect lubricant performance, and consequently, hotbox rate.

New and improved Texaco Car Oil 1960 HD is an optimum combination of the above three characteristics. In addition to the lab results shown here, actual field tests on leading railroads have already indicated the new oil's superiority.

Special additives are responsible for this performance record. To prove the additives' anti-friction properties, for example, Texaco development engineers used a unique railroad journal bearing test machine. Adjusting this equipment to severe conditions, they operated it on an ordinary AAR non-additive car oil to establish a coefficient of friction of 0.1. Then while the machine was still in operation, the oil supply was changed over

to Texaco Car Oil 1960 HD—and the coefficient of friction dropped to .005!

Ask your Texaco lubrication specialist for a complete report of Texaco Car Oil 1960 HD—and let him show you what it can do for your operation. Or write:

The Texas Company, *Railway Sales Division*, 135 East 42nd Street, New York 17, N. Y.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL

(PARTS, INVENTORY, PRODUCTION, DOWNTIME, MAINTENANCE)



In a hurry for track spikes?

If you need track spikes in a hurry, call Bethlehem. We make spikes by the millions, and for every weight of rail from 12 lb to 155 lb. Most sizes are carried in stock, ready to go at a moment's notice.

Bethlehem Spikes are made to AREA and ASTM Specifications. They have sharp points for fast, accurate driving, and strong heads which can take heavy pounding. We also make spikes of special design. Tell us about your requirements.

BETHLEHEM STEEL COMPANY, BETHLEHEM, PA.

On the Pacific Coast Bethlehem products are sold by Bethlehem Pacific Coast Steel Corporation
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BETHLEHEM STEEL



One man controls an entire railroad with this new traffic control center

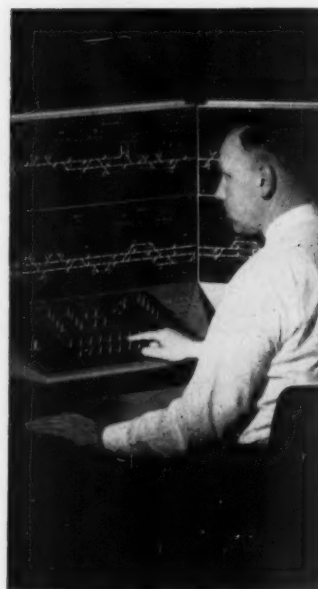
Here's the latest in railroad traffic control: it's Union Switch & Signal's new *miniature* Traffic Control Center. It puts control of an entire railroad at arms reach. And this new control center can be applied to all types of interlockings, as well as to CTC: it can be used with any existing control system. This new control center can *multiply* efficiency and save valuable space.

It's smaller. The photo shows a basic unit; it's only 4'8" by 8'11". Yet, it'll do the job of a conventional panel 35' long!

It's simpler. Control levers and buttons are no longer on the frontplate; they are now concentrated in a console right in front of the dispatcher. He can work faster. He can work more accurately.

It's more versatile. A basic miniature panel can easily be expanded, horizontally or vertically, at any time. And *any* size control center can be built up of identical, modular plug-connected units.

The benefits of CTC are well known; this new control center multiplies these benefits. Let us give you full details.



"Pioneers in Push-Button Science"

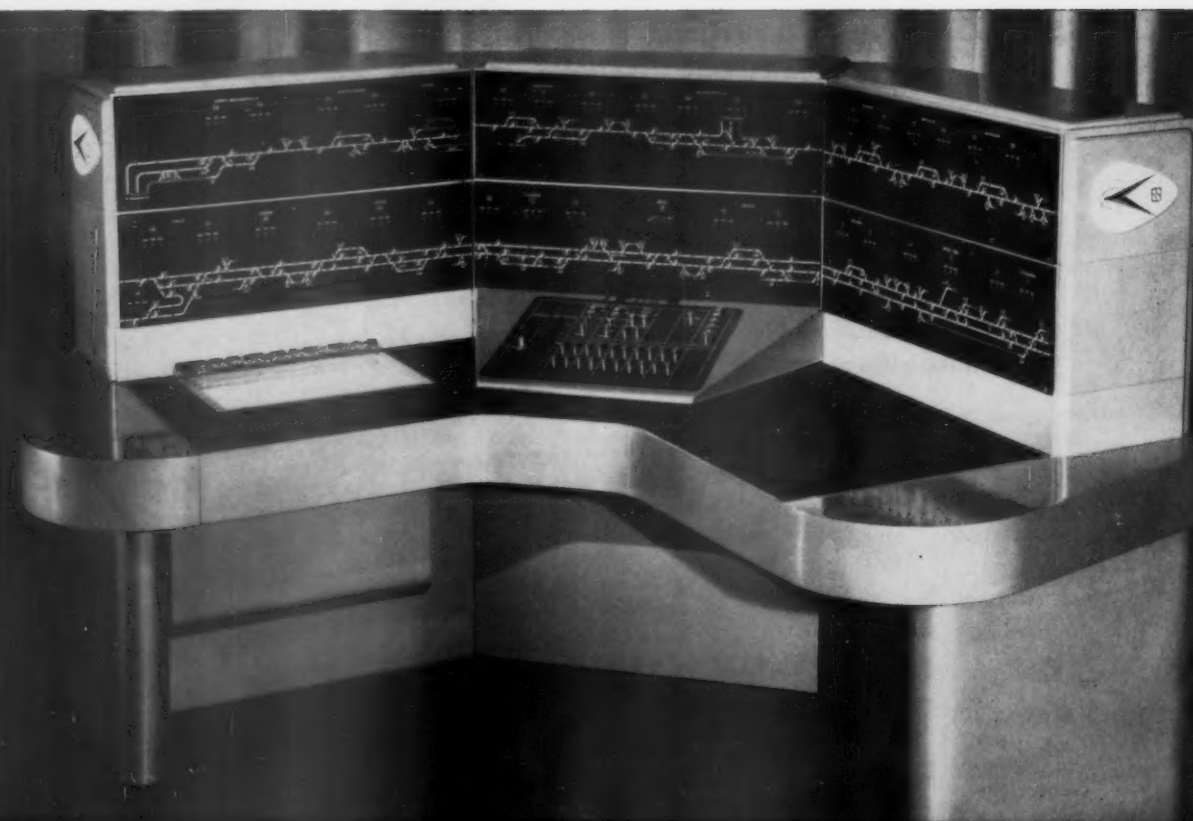


UNION SWITCH & SIGNAL

DIVISION OF WESTINGHOUSE AIR BRAKE COMPANY

SWISSVALE, PENNSYLVANIA

NEW YORK PITTSBURGH CHICAGO SAN FRANCISCO



Week at a Glance

Departments

Facts & Figures	36
Financial	36
Freight Car Loadings	39
Letters from Readers	43
New Products Report	21
Organizations	36
People in the News	44
Railroading After Hours	28
Railway Market	39
Supply Trade	44
The Action Page	46
Watching Washington	10

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Railway Age, established in 1896, is indexed by the Industrial Arts Index, the Engineering Index Service and the Public Affairs Information Service. Name registered in U.S. Patent Office and Trade Mark Office in Canada.

Published weekly by the Simmons-Boardman Publishing Corporation at Orango, Conn., and entered as second class matter at Orango, Conn. James G. Lyne, chairman of the board, Arthur J. McGinnis, president and treasurer, F. A. Clark, vice-president and secretary, George Dusenbury, vice-president and editorial and promotion director.

Dearmont chides the pessimistsp. 9

MoPac president says his road not only means to stay in the passenger business, but hopes to increase its share of a \$1-billion-a-year travel market. Other rail leaders are less optimistic. The Monon has requested permission to cut out its last six passenger trains.

Grand Central skyscraper to risep.10

New York Central subsidiary leases property behind Grand Central Terminal to builders' group for construction of 50-story, \$100 million skyscraper. It will be the world's biggest commercial office building, and will return \$1,000,000 a year rental to help defray the terminal's deficit.

Electronics speeds parcel post sortingp.12

Many packages reach their destinations as much as a day earlier because of an electronic setup at the Pennsy's 30th street station in Philadelphia. The new sorter is expected to pay for itself in two to three years.

Better way to tell the railroad story?p.14

This is no time for advertising as usual. Railroads must adopt an aggressive strategy to win the fight for public opinion. The industry, ad men say, should drop the flute it's been using and get itself a trombone.

B&O's Slumbercoaches are a hitp.18

The two Budd-built cars have been creating new business for the railroad. Much of it has come from people who previously traveled by plane, bus or auto. The B&O is anticipating an upsurge in traffic as a result of the impending summer travel season.

Centralized checking pays offp.26

Two Central of Georgia communications systems are producing annual savings almost three times greater than their costs. Here's how the installations, for handling LCL freight, paid for themselves in five months.

SP's Salt Lake fill is rising fastp.30

The \$49-million project to replace a 13-mile trestle with a dry-land crossing is months ahead of schedule. It will relieve the road from certain speed restrictions and eliminate the burden of repairing and maintaining a 55-year-old structure.

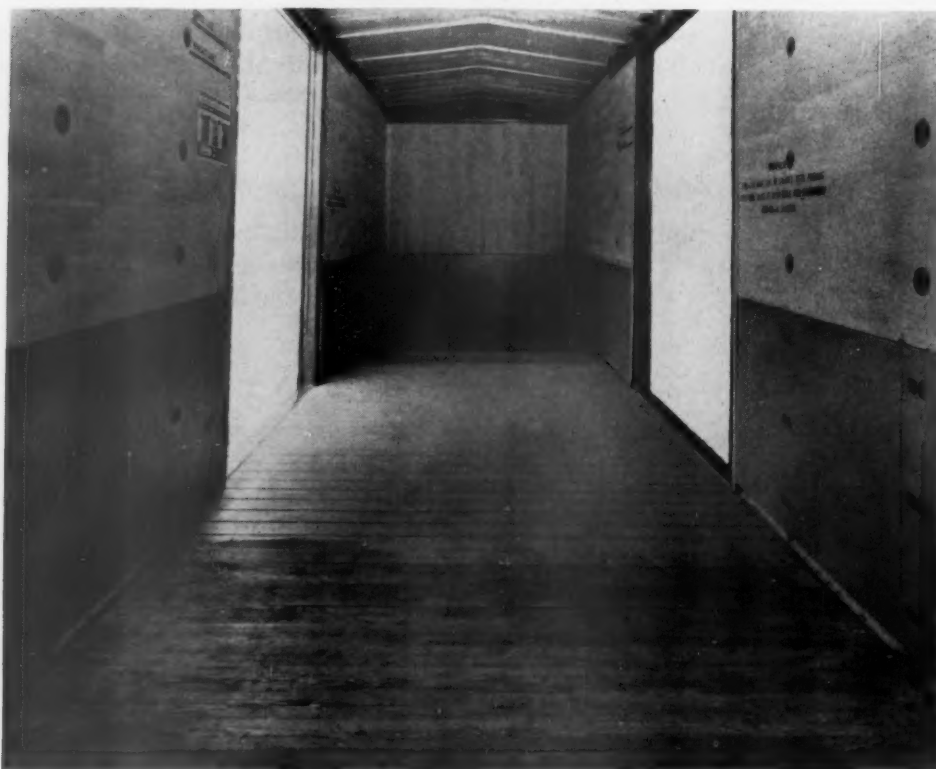
Research paves way to paydirtp.41

The joint C&O-Bessemer market study in Erie, Pa., gave the railroads some interesting pointers on how to capture traffic now moving by highway. Here are some of the study's basic findings.

Another YOUNGSTOWN *First*

METALLIC LINING FOR BOX CARS

YOUNGSTOWN'S METALLIC LINING
IS AVAILABLE COMPLETE WITH
LADING BAND ANCHORS



YOUNGSTOWN'S METALLIC LINING AS APPLIED TO 1000 BALTIMORE & OHIO BOX CARS

THE YOUNGSTOWN STEEL DOOR CO.

CAMEL SALES COMPANY • CAMEL COMPANY LIMITED

CLEVELAND • CHICAGO • NEW YORK • YOUNGSTOWN

Week at a Glance CONT.

Current Statistics

Operating revenues, three months	
1958	\$2,239,817,953
1957	2,576,787,000
Operating expenses, three months	
1958	\$1,873,986,983
1957	2,023,252,949
Taxes, three months	
1958	\$208,125,559
1957	271,655,047
Net railway operating income, three months	
1958	\$84,637,898
1957	214,348,877
Net income estimated, three months	
1958	\$30,000,000
1957	162,000,000
Average price 20 railroad stocks	
May 6, 1958	75.75
May 7, 1957	91.91
Carloadings revenue freight	
Seventeen weeks, 1958	9,080,079
Seventeen weeks, 1957	11,322,905
Average daily freight car surplus	
Wk. ended May 3, 1958	134,581
Wk. ended May 4, 1957	13,566
Average daily freight car shortage	
Wk. ended May 3, 1958	25
Wk. ended May 4, 1957	1,010
Freight cars on order	
April 1, 1958	38,027
April 1, 1957	107,708
Freight cars delivered	
Three months, 1958	18,441
Three months, 1957	26,359

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Subscription to railroad employees only in U.S. possessions, Canada and Mexico, \$4 one year, \$6 two years, payable in advance and postage paid. To railroad employees elsewhere in the western hemisphere, \$10 a year, in other countries, \$15 a year. Single copies 60¢, except special issues. Concerning subscriptions write R. C. Van Ness, Circulation Director, 30 Church st., New York 7.

The Action Page—It's now or neverp.46

The Smathers subcommittee recommendations are the most constructive attention from Congress that the railroad industry has received in almost forty years. All railway officers, employees, suppliers, shippers and investors have a vital stake in speedy enactment of the proposed legislation. Tell your congressmen!

Short and Significant

The strike-threatened CPR . . .

based its hopes for peace late last week on a round of meetings between Canadian government leaders and representatives of management and the Brotherhood of Locomotive Firemen & Enginemen. The BLF&E threatened to strike May 11 in protest against the CPR's announced intention to begin dropping firemen from yard and freight service diesels on that day. A Royal commission has upheld the CPR plan.

March net income of Class I railroads . . .

is estimated at \$24,100,000, compared with \$71,000,000 in March 1957. Forty-one Class I railroads failed to earn interest and rentals in this year's first quarter. Of those, 23 were in the Eastern district, eight in the Southern region and 10 in the Western district. The railroad rate of return in the 12 months ended March 1958 averaged 2.88%, compared with 3.93% for the 12 months ended March 1957.

'Flexi-Van' mail service will begin . . .

between Detroit and Chicago "sometime after July 1." The New York Central's new piggyback trailers—which went into freight service April 16—will give the Post Office more flexible service than conventional piggyback equipment, said Assistant Postmaster General E. George Siedle. The mail-carrying "Flexi-Vans" will travel on flatcars specially adapted for use in passenger trains.

Awards for distinguished advertising . . .

in the public interest have been presented to the AAR and to the Norfolk & Western by The Saturday Review. The literary magazine cited the AAR (agency: Benton & Bowles) for conducting one of the two best campaigns of 1957 in the public relations field. The N&W (agency: Houck & Co.) won an award for the best public service ad of 1957.

C&O's Railvan . . .

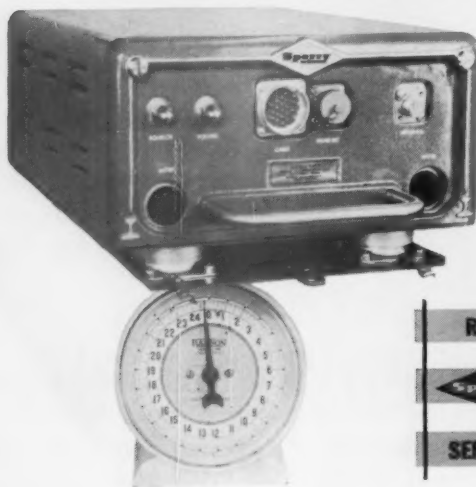
may go into service on the British National Railway system. A 16-year contract provides for licensing C&O patents to the Pressed Steel Company Limited, of Oxford, England, and the exchange of test and research data with C&O. Pressed Steel will modify the combination rail-highway Railvan to meet the requirements of British lines.

FACTS YOU SHOULD KNOW BEFORE PURCHASING RAILROAD RADIO EQUIPMENT

There is only one radio designed specifically and exclusively for railroads. It is the Sperry Transistorized Single-Pack Radio. This radio incorporates the technical features and performance characteristics asked for by the railroads themselves... right down to a handle, sized for a rail-roader's fist. It is no conversion job... this radio operates at highest efficiency, is ruggedly constructed for rail service with a minimum of maintenance and down time.

BEFORE YOU BUY, LOOK FOR ALL THESE FEATURES:

New patent-applied-for transistor power-supply circuit gives close to 90% operating efficiency... reduces power requirement, eliminates possibility of damage through overheating... runs cool... needs no heavy heat sinks or radiating fins.



Total automatic transistorized circuit protection... transistorized filament voltage regulation.

Designed and built for split-channel operation.

Exclusive plug-in chassis design provides unequalled flexibility in use and maintenance, including:

Easy interchange between 12-volt, 72-volt and 117-volt operation with slide-in power-supply.

Lowest inventory... Stock only plug-in units instead of complete sets.

Simplest for maintenance and FCC checks because each plug-in chassis is complete in itself.

Four-channel communication.

Front-panel metering for simpler testing.

One compact case 17" long, 12" wide, 7" deep with shock mount; 6" deep without shock mount.

Weighs only 25 lbs.

DESIGNED TO MEET ALL AAR SPECIFICATIONS
Sperry Transistorized Single-Pack Radio is the answer to the special needs of railroad communications. Compare Sperry with any of its competitors and Sperry services with any competing services. When you've done this, you'll find that every single factor of performance, construction and potential economy points to one radio system... Sperry. A special engineering team will carry out, at your request, comprehensive surveys of your whole communications system requirements. Write today for complete information.

SPERRY RAIL SERVICE

SUPPLYING RAILROADS EXCLUSIVELY

Division of Sperry Products, Inc. • Danbury, Connecticut

Dearmont Chides the Pessimists

MoPac's president, pledging fight to keep passenger trains, cites his reasons for optimism. Other industry spokesmen take gloomier views. Monon seeks to quit passenger business entirely.

The Missouri Pacific has no intention of going out of the passenger business without putting up a stiff fight for a slice of America's \$1-billion-a-year travel market.

MoPac President Russell L. Dearmont made that clear in a recent address before the American Association of Passenger Traffic Officers in Chicago.

Amid growing indications that some railroads feel they have already lost the fight, Mr. Dearmont cited these reasons for optimism as to the passenger train's future:

- The nation's growing population. "Somebody's got to take care of the country's needs, and there's room for us."

- The shorter work week, giving more leisure time for travel.

- An expansion in disposable income.

- Increasingly crowded and dangerous highways, which will force travelers to seek the safety of trains.

Chiding other industry leaders for their lack of optimism, Mr. Dearmont said the MoPac was prepared to run passenger

sociation in Chicago, Ben W. Heineman, chairman of the Chicago & North Western, said bluntly that "through passenger trains are obsolete." This is because "air service is more rapid and automobiles are more convenient," he said. Result: "Freight shippers all over the country are subsidizing passenger trains."

- In Cleveland, John F. Nash, the New York Central's vice-president—operation,

was equally blunt. "The New York Central does not want to get out of the passenger business; it is being forced out," he said. "Our ability to be a healthy, self-supporting transportation system demands the right to take action which will remove this crushing passenger deficit and the freedom to price our service competitively."

(Continued on page 37)

NEXT WEEK: Railway Age editors take a hard look at the passenger train, mail and express situation—and make "A Bold Proposal."

trains "at some reasonable loss" for their public relations value. More than that, he said, "We aren't going to give up our chance to get a piece of that \$1 billion in annual travel revenue."

On his own road, said Mr. Dearmont, innovations such as inexpensive tray meals and hamburgers in dining cars have gotten more people "eating on the Missouri Pacific." The railroad doesn't operate its diners to make money, but to attract people to the trains, he added.

The MoPac president hopes that the May 1 experimental fare cuts approaching 50 per cent in Rio Grande Valley passenger service (Railway Age, April 28, p. 7), will prompt an important increase in freight business as well as get passengers back on the "Valley Eagle."

Meanwhile, from Mr. Dearmont's neighbors and near-neighbors came less optimistic views on the same subject.

- At a meeting of the Fibre Box As-



A Special Train for a Very Special Event

Central of Vermont diesel rests at Central Station, Montreal, after helping haul a special 17-car train from New York to Montreal in connection with recent opening of Canadian Na-

tional's new \$24-million Queen Elizabeth Hotel (background). Hotel, biggest in British Commonwealth, is owned by CNR but is operated by Hilton International.

Grand Central Skyscraper to Rise

World's largest office building—a \$100 million, 50-story structure—will soar over tracks and platforms behind New York's Grand Central Terminal. Property's \$1,000,000-a-year rental will help defray terminal deficit.

The world's biggest commercial office building — second in size only to the Pentagon — will soon rise on railroad-owned property behind Manhattan's Grand Central Terminal.

The 50-story skyscraper, scheduled for completion in 1961, will cost \$100 million. It will return an annual rental of \$1,000,-

000 to the owner of the property—the New York State Realty and Terminal Company, a subsidiary of the New York Central.

An old dispute between the NYC and the New Haven over ownership of the property—the former claiming it is sole owner, the latter claiming half ownership

—may be academic in this case. The \$1,000,000-a-year-rental will be used to help defray the \$6,000,000-a-year deficit of Grand Central Terminal. Neither road foresees that this deficit will be erased, and thus bring up the question of a division of the profits, before the lease on the property runs out in the year 2038.

Grand Central City, as the skyscraper will be called, will be built by a group headed by Ervin W. Wolfson, chairman of the board of Diesel Construction Company of New York. Other members of the group include Herbert and Stuart Scheffel and Alfred G. Burger, real estate investors.

Their lease on the site runs, with renewal options, for 80 years.

Floor area of the massive structure will be 3,000,000 square feet—almost half again as great as the floor space in the Empire State Building. The building will rise over the existing railroad tracks and terminal platforms.

Grand Central City will replace the six-story Grand Central Terminal Office Building, which now stands on the site. The old building is obscured on all sides by the main rotunda of the terminal, Commodore Hotel, Graybar Building, New York Central Building, the Yale Club and the Biltmore Hotel.

The skyscraper's street level will provide space for expansion of the terminal's baggage facilities and other services.

Early plans call for including three legitimate theatres and an exhibition area on the third floor of the building.

In addition, there will be a parking garage with a capacity of 2,000 cars on four levels. Wolfson said provision would also be made for landing helicopters on the roof, if present laws are changed to permit heliports on mid-Manhattan buildings.

Designed by Emery Roth & Sons, architects, Grand Central City will have an exterior of aluminum and glass, to provide a plain backdrop for the classical architecture of the railroad terminal.

The building's plot will cover 132,000 square feet, fronting 390 feet on Vanderbilt avenue and 340 feet on 45th street.

The NYC and the New Haven occupy only a small amount of office space in the old building, which contains offices and warehouse space for some 100 tenants.

The lease to the Wolfson group is the latest in a series of leases of air rights over railroad-owned property that is occupied by tracks and other facilities attached to the terminal.

Watching Washington *with Walter Taft*

• **NO MEETING** of the Senate Interstate Commerce Committee has been scheduled yet for consideration of the transport legislation recommended by its Surface Transportation Subcommittee. However, the recommendations could be taken up this week at the committee's regularly scheduled executive session. Meanwhile, AAR member roads, at their special Washington meeting last week, approved in principle the subcommittee's recommendations, so far as they went.

TRUCKERS WILL OPPOSE amending the Interstate Commerce Act's rule of rate-making as recommended by the subcommittee. The proposed amendment is designed to keep the ICC consistent in following a policy of appraising railroad rates without reference to their potential effect on competing transport agencies. The truckers' opposition is expressed in a resolution adopted by the executive committee of American Trucking Associations.

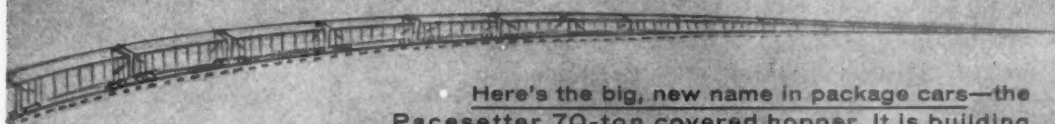
TRUCKING INDUSTRY SUPPORT is indicated for other parts of the subcommittee's program. ATA's president, Guy W. Rutland, Jr., still speaks favorably of such recommendations as the call for repeal of transport excise taxes, sharper Interstate Commerce Act definitions of private carriage, and tighter agricultural exemptions. He complains because the railroads push controversial legislation, rather than concentrating on proposals to aid all carriers which "are now a matter of mutual agreement."

• **APPEAL FROM PER-DIEM CASE SETBACK** is under consideration at the ICC. The setback came from a three-judge federal court at Boston. The court set aside the commission's 1955 order which upheld car-rental charges fixed under provisions of Section 5a Agreement No. 7, the Bulwinkle-Act pact administered by the AAR.

WINNERS IN COURT are the Boston & Maine, the New Haven and a group of short-line railroads. They assail the charges approved by the commission and propose tailored per-diem rates for each road. These would consist of a mileage factor for each road, and a uniform time factor applicable to all roads.

TIME-MILEAGE PLAN is not required by the court. It was because it thought the plan deserved more consideration that it set aside the commission's approval of the assailed rates. To the court, the two-factor idea seems too important for the treatment it got from the commission — a brush-off "with little more than a casual wave of the hand."

modern ideas sparked this
ALL NEW package car
THE PACESETTER
70-TON COVERED HOPPER



• Here's the big, new name in package cars—the Pacesetter 70-ton covered hopper. It is building profits wherever it's in service. It unloads fast, resists corrosion, is water-tight and can be delivered in less time at lower initial cost.



FOR YOUR FILE—facts on the PACESETTER PACKAGE CAR FLEET. Order the complete set today!

Greenville's line of Pacesetter package cars is built with new prefabrication techniques; high-speed, automatic welding and advanced assembly line methods. These building methods are combined in the 70-ton covered hopper to cut delivery time and costs. The Pacesetters are out front. Get the facts from Greenville now!

GREENVILLE

STEEL CAR COMPANY

Subsidiary of Pittsburgh Forgings Company

GREENVILLE, PENNSYLVANIA

48 Years of Experience





CODER READS destination of package, pushes buttons for the number representing its destination, then presses an "entry"

bar which feeds the code number into the electronic memory system. There are 39 unloading points.

Electronics Speeds Parcel Post Sorting

Processing parcel post packages at the Pennsylvania's 30th street station in Philadelphia once required 15 men and often two sortings. It is now being done electronically with a maximum of five men and only one sorting. The new setup cost \$130,000, of which \$110,000 was for the Stewart-Warner electronic sorting system. The sorter is expected to pay for itself in two to three years. Mail sorted electronically is moving through 30th street 8 to 12 hours faster than under hand sorting. Many packages reach their destination as much as a day earlier, because they now depart on earlier trains.

Before installing its electronic sorter in Philadelphia, the Pennsylvania sorted par-

cel post packages by manual handling and a conveyor belt. Packages were unloaded onto the belt where, for sorting, men chalked numbers on them. The numbers represented the 39 cities or zones of destination. Men stationed along the belt at six points removed packages with the appropriate code numbers.

Now the new sorting system processes "raw" mail—newly arrived from the local postoffice or unloaded from incoming trains. With only one manual handling the mail is separated into 39 "sorts" or lots, ready for transfer to the correct train.

Two men are required to load the unsorted mail—which ranges in size from egg crates or film cans to hand luggage,

foot-locker trunks, crates and cartons—onto a 220-ft conveyor belt. Each 3-ft segment of the belt carries a "parcel." As it passes a "coding station" a few feet beyond the loading point, two key-punch operators push buttons for the number of the destination. This information is fed into an electronic memory system indicating at what point on the moving conveyor belt each parcel is to be unloaded. There are 39 such removal points. Each is a short roller conveyor.

As each package approaches its removal point, the electronic memory system actuates an electrically operated overhead belt, which sweeps a paddle across the main belt. The paddle firmly but gently whisks the parcel onto the rollers of the proper right-angle conveyor. When the parcel is there, gravity carries it down the inclined conveyor to a waiting truck.

"Because the electronic sortation system is instantly available at the flick of a switch, 24 hours a day, we are able to process even one truck load of mail as soon as it arrives," says George C. Vaughan, regional manager at Philadelphia.

"Previously it was necessary to wait for an accumulation of unsorted parcels, perhaps 25 truck loads, before calling men from other essential jobs to man the sorting belt. Now a maximum of five men can leave other work for a few minutes and handle all mail promptly. Mail 'makes' the first train out, after it arrives here."

A later development, Mr. Vaughan said, probably will involve handling of sacked mail by electronic methods.

AS PACKAGES MOVE down conveyor, the code number is fed electronically to pick-off stations shown here. When code and parcel arrive at the proper station, paddles are actuated to shove parcel off the belt onto the roller conveyor.





there are more miles in

Edgewater

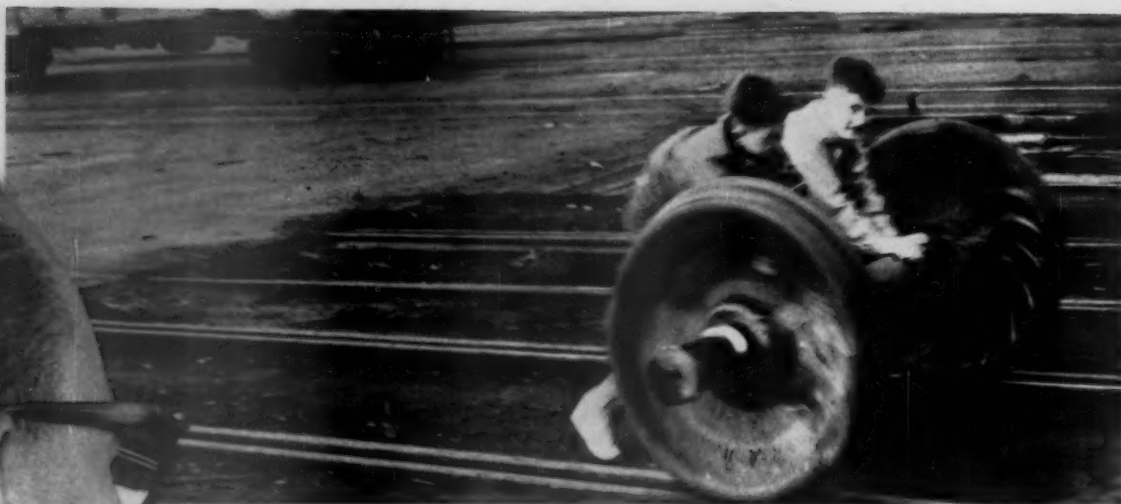
rolled steel wheels

because of the uniform physical properties produced by the rolling process



Edgewater Steel Company

P. O. Box 478, Pittsburgh 30, Pa.



America Is Being Robbed of this Superb Economy

OUTRAGE

...Keeping the railroads in chains is putting shocking limitations on America's development

America's Railroads

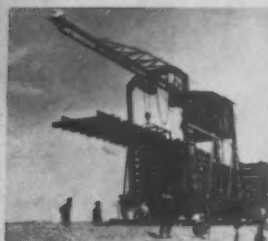
The Fight for Public Opinion...

When Railway Age queried ad men on the truck-vs-railroad battle for public opinion (RA, May 5, pp. 14-15), the answer was sharp: "This is no time for advertising-as-usual."

"When you're the easiest to pick on in such things as taxes and regulation, it's a cinch you'll be picked on. Railroads suffer plenty in this department."

"We looked at a lot of background ma-

terial for ad ideas, and one thing hit us right in the face—the Railway Age 'OUT-RAGE' issue. Right down to the line on the cover: 'OUTRAGE . . . Keeping the railroads in chains is putting shocking lim-



While the Russians Hurry New Track ... Americans Are Ripping It Up

OUTRAGE

Keeping the railroads in chains is putting shocking limitations on America's development



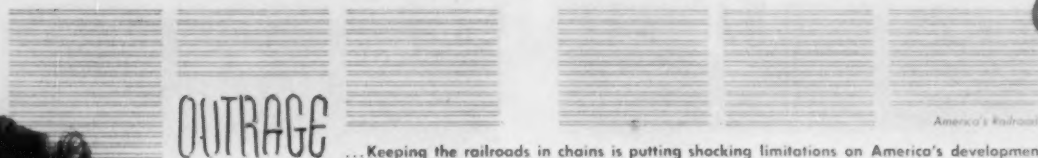
How Would You Like to Run a Railroad Under Conditions Like These?

OUTRAGE

Keeping the railroads in chains is putting shocking limitations on America's development



They'd Riot in the Stands if a Team Had to Compete as Railroads Do



OUTRAGE

... Keeping the railroads in chains is putting shocking limitations on America's development

America's Railroads

Drop the Flute, Get a Trombone

itations on America's development.' That's a simple concept, it's the truth, it's sharp, it's memorable. It puts the story where it belongs—in terms of America's self-interest.

"Sticking pretty close to the pictures and point of view of that issue, we've dummed up six ads that we think would begin educating America to the problems and opportunities it has in its railroads. We say

'begin' because a thing like this takes time and repetition.

"Here they are. You asked us to do this job on our own. We hope they help."

What do you readers think?



Can America Stay Ahead of Russia with Thinking Like This?

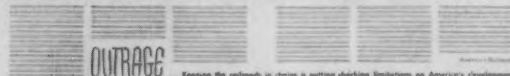


OUTRAGE

... Keeping the railroads in chains is putting shocking limitations on America's development



Who's Kidding Whom—that Trucks, Cars and Buses Could Carry the Load?



OUTRAGE

... Keeping the railroads in chains is putting shocking limitations on America's development

“12,800
carloads
of flour
shipped in
AIRSLIDE® cars
without a
damage claim!”

says J. A. Hart, Vice President, Traffic—National Biscuit Company



*If you have a shipping problem with dry,
granular or powdered materials, consult
our engineers. You too will find . . .
it pays to plan with General American.*



National Biscuit Company pioneered bulk shipment of flour. As of December 31, 1957, NABISCO has transported more than 12,800 carloads from mills to bakeries.

Says J. A. Hart, Vice President, Traffic: "After several trial trips in 1948 and 1949 we were convinced that flour could be transported safely in bulk.

"Formerly, torn bags due to rough handling, leaky roofs and sides of ordinary boxcars, and weevil infestation resulted in loss and damage claims against carriers. *Shipping in AIRSLIDE® cars has eliminated the filing of loss and damage claims.*

"We also have shipped well over 300 carloads of sugar in AIRSLIDE® cars from various refineries to our Chicago bakery and not one claim has been filed with any railroad."

GENERAL AMERICAN TRANSPORTATION CORPORATION

135 South La Salle Street • Chicago 90, Illinois
Offices in principal cities



B&O's Slumbercoaches Are a Hit

The two Budd-built cars have been creating new business for the railroad. Much of it, answers to a questionnaire reveal, has come from people who previously traveled by plane, bus or private automobile. With the summer vacation travel season near, the outlook gets brighter all the time.

Two coach-fare all-room sleeping cars are bringing smiles to the faces of Baltimore & Ohio passenger traffic officers.

Since March 2, the two cars—Budd-built Slumbercoaches—have been bringing new business to the railroad. They are featured on the Baltimore-Chicago all-coach "Columbian." Each Slumbercoach has 24 single rooms and 8 double rooms. Passengers ride for a coach fare, plus a

small surcharge for the room space.

Thirty-nine of each car's berths are available to passengers (the porter gets the 40th). This means the cars have a high potential revenue, even at low coach rates. Space charge for a single room is \$6, for a double \$10.80; each plus tax. These are flat rates. They do not vary according to the distance traveled.

During the first week of operation the

cars averaged only about 18 occupants. This figure moved up the second week. At the end of six weeks an average of 31 spaces were being sold.

Considering this, and also that the service got under way in the middle of unfavorable business conditions, the B&O feels the Slumbercoaches are giving an extremely good account of themselves.

[The Burlington, incidentally, reports that its four Slumbercoaches had hauled 47,209 passengers through March 31. They had been in service then about 17 months. Average number of westbound Burlington passengers per car was 30.3; eastbound, 29.6. Each car can carry 38 passengers and has two crew beds.]

The B&O wanted to find out who was riding its Slumbercoaches. Questionnaires were left in the berths asking passengers how they would have traveled if Slumbercoach service had not been available. Of 535 people who returned cards in the first six weeks, 33.8 per cent said either that they came from competing forms of transportation or that they would not have traveled at all.

Slightly more than 24 per cent said they would have traveled by airplane. Private autos would have carried 3.7 per cent. Another 4.3 per cent were converted bus travelers. One and one-tenth per cent said they would not have made the trip if Slumbercoach had not been available.

Much of the traffic is coming from the B&O's regular "Columbian" day-coach service. Conductors, porters, stewardesses, and others in contact with passengers introduce the Slumbercoach service to coach passengers en route. Invitations to day-coach passengers to inspect Slumbercoach facilities have produced many on-the-spot sales.

The railroad is not unhappy about sell-

TRAVELING WITH BABIES is made easier by cribs that can be suspended over the mother's berth. Shown here is a Slumbercoach "B" room, the lower duplex. In the "A" rooms on the higher level, cribs are suspended below the berth. In both rooms, a full-length mirror makes it easy to tend the child.





ALL-COACH "COLUMBIAN" was chosen to introduce the new equipment. The 16 3/4-hour run between Baltimore and Chicago gives the Slumbercoaches good utilization.



BALTIMORE & OHIO'S nameplate is added to Slumbercoach as it is made ready at Budd Company's Red Lion Plant for delivery. B&O's two units went in service March 2.

ing the new service to present customers because it expects many of them to come back.

Because a good share of Slumbercoach business is diverted from competing transportation, B&O passenger people feel the cars could be credited with part of the rail fare as well as the space charge. On a fully assigned cost basis, though, the cars need 80 per cent occupancy to pay expenses and return the investment. The cars are approaching this ratio. The railroad expects that, with the coming of summer and vacation travel, they will soon be showing a reasonable profit.

With 80 per cent occupancy needed, there is obviously little margin for the cars. They can't afford to run unfilled very often, any more than they can afford idle terminal time between trips.

That is one reason why B&O chose its Baltimore-Washington-Chicago service to inaugurate the new equipment. With running time about 17 hours between terminals, the cars are idle for less than eight hours a day. The service can be handled with two cars. A longer running time would require more cars and additional investment for little added revenue. Terminal layovers are more than adequate for servicing and maintaining the cars.

The high capacity of the equipment appeals to the B&O. Each car can handle the same volume as two conventional Pullmans. The railroad also likes the en route sales potential they find in day-coach passengers. Since the Slumbercoaches have been added to the existing consist rather than replacing existing coaches, regularly assigned equipment is a reservoir the cars can draw on to keep the business paying.

Slumbercoach berths are six ft 2 in. long and 25 in. wide. (Double rooms have a much longer lower berth.) Passengers

say the accommodations are as satisfactory in the daytime as at night. The equipment is designed for either long-haul or overnight service. For both types of service the B&O feels that adequate lounge space in other cars is desirable to give the passenger a change in his surroundings.

Another part of the B&O campaign to cut the coach traveler's costs while making it more pleasant for him to travel is high-quality, inexpensive food. For this the B&O depends not on airline-type reconstituted frozen dinners, but on specially

planned standard meals. Lunch or dinner, a steak sandwich, for example, is available at \$1.90. This is a full-size meal.

Family fares are good in the Slumbercoach. Other special tickets, such as those for the clergy, are also honored. Present space is too limited for the car to be sold for group excursions. The equipment has special advantages for mothers traveling with infants. A mother with two children under five, can have a double room with two berths for only \$10.80 more than one day-coach fare.

Budd May Lease Its 12 Other Slumbercoaches

Some or all of the 12 Slumbercoaches Budd has built but not yet sold may be leased. So W. L. Sheppard, the firm's vice-president and general manager, told *Railway Age*. Mr. Sheppard emphasized that there is no general intention to put Budd deeply into this form of financing rolling stock.

Two forms of leasing agreements are under consideration. One calls for a five-year lease term. This would be paid for on a per-diem basis, with a rate somewhere around \$90. An alternative plan is a 15-year term, with a per diem rate of around \$70.

The 5-year plan rates are based on 10-year amortization, with the assumption that the contract would be renewed, either by the same railroad or another, at the end of the 5-year period. The 15-year rate is based on amortizing the cost of the car over 15 years.

Several railroads have shown interest in the lease plans. Under consideration are such long-haul operations as Chicago to the West Coast, overnight service between Chicago and the east, and New York-Florida service. "We're out on all fronts, long-haul and overnight," Mr. Sheppard said.

The lease would have two bases. For service operated by the Pullman Company, Budd will make arrangements through Pullman. If the railroad itself operates the service, Budd will make arrangements directly with the railroad.

The lease agreements can be superseded by purchase agreements.



**SHORT RUN...
OR LONG HAUL**

You'll always get top performance from your diesels when you use Esso Diesel Fuel. Many years of experience backed by laboratory and on-the-road testing have combined to produce high quality Esso Diesel Fuels for every type of railroad requirement — for switching, heavy duty passenger and freight diesel locomotives...for diesel-powered maintenance of way machinery...for roadbed construction equipment. With outstanding distribution of bulk storage throughout the Esso area, the right grade is always available to fill your specific needs. For the full story on dependable, high-quality Esso

Diesel Fuels or the complete line of Esso Railroad Products, call your local Esso office,

or write: Esso Standard Oil Co., Railroad Sales Division, 15 West 51st St., New York 19, N. Y.

ESSO DIESEL FUEL

ESSO RESEARCH works wonders with oil



RAILROAD PRODUCTS

New Products Report

Magnetic Inspection Kit

Rapid and reliable inspection for surface cracks is assured, according to the manufacturer, through the use of a new magnetic-particle inspection outfit, designated the Magnaflux Y-5 Yoke Kit. It comes in a metal carrying case and is said to weigh less than 30 pounds complete. The yoke itself, weighing 7 pounds, is the magnetizing and testing instrument. It is equipped with a 100-foot cord and draws 6 amperes from any 110-volt a-c line. *Magnaflux Corp., Dept. RA, 7300 W. Lawrence ave., Chicago 31.*



New Concrete Admixture

The manufacturer states that 43-114 Plastic Dispersant is a new type of resin emulsion to be used as a replacement for water in mixing concrete or for bonding new concrete to old concrete, brick, stone, steel or wood. It is said to impart to the mix seven times as much load-bearing strength and four times as much resistance to the abrasion of trucking. Also, that it is self-curing, non-shrinking and may be installed to feather-edge thickness. *Acorn Paint & Chemical Co., Dept. RA, 8001 Franklin blvd., Cleveland 2.*



Cab for Digger

New specially designed two-man cab now is available for this FWD Blue Ox Utility digger. The new rubber-tired earth-boring and pole-setting tractor may be outfitted with canopy instead of the enclosed cab. The vehicle has rear station controls for full operation of winch and earth-boring machine, in addition to standard cab controls. It may be driven over paved or unpaved roads and boasts high degree of maneuverability, flotation, and traction at pole sites. *Four Wheel Drive Auto Co., Dept. RA, Clintonville, Wis.*

One-Step Photocopier

A new one-step photocopy machine, the Apeco Uni-Matic "Auto-Stat," went on the market this spring. Described as the fastest photocopier in the office equipment field, the 34-pound Unimatic requires that the original copy and photocopy paper be inserted only once instead of twice. This makes it possible to reproduce an original document (printed, typed, written, photographed, or drawn) in one-third the time required by older models. *American Photocopy Equipment Co., Dept. RA, Evanston, Ill.*



Track-Jack Carrier

A new machine, designated the Track Jack Carrier, has been designed to minimize jack-handling costs in conjunction with production-tamper work. It is powered by a Briggs & Stratton air-cooled, 3.35-hp, 4-cycle engine and is equipped to carry five track jacks and one water cooler on each side of the car. The jacks rest in tilting trays which can be tipped to place jacks at the desired location. The machine is equipped with a reversing device. *Northwestern Motor Co., Dept. RA, Eau Claire, Wis.*

Rail-Grinding Wheels

Three new Carborundum rail-grinding wheels have been announced. Significant increases in production per man-hour and in wheel performance are claimed by the manufacturer. One is for grinding off excess weld metal applied to the surface of the rail. Another is a glass-reinforced resinoid wheel for removing flowed metal in the expansion area. The third is also a glass-reinforced resinoid wheel for removing rusted and disturbed metal found when repairing engine burns. *The Carborundum Co., Dept. RA, Niagara Falls, N.Y.*

Air Conditioning Control

New electronic control panels produced by Honeywell now make centralized air conditioning control possible in the smallest buildings. Honeywell's new Control Master (for multi-zone systems) and Air Conditioning Selector (for single zone systems) can be installed in any spot convenient to the operator. Equipment can be turned on and off and temperatures adjusted at the push of a button, according to the manufacturer. *Minneapolis-Honeywell Regulator Co., Dept. RA, 2753 Fourth ave., South, Minneapolis 8.*



Mobile Trencher

Maximum digging depth of the Model 705-B "Runabout" Ditcher has been increased by 8 inches to 56. Another improvement is a longer boom for cutting a full range of widths, 5½ inches, 7½ inches and 10½ inches. Model 705-B also features an all-hydraulic, infinitely variable, crowding-speed control; a 15-mph road speed; an optional hydraulically driven discharge conveyor; and a fluid coupling between the power unit and driving mechanism. *Barber-Greene Co., Dept. RA, 400 N. Highland ave., Aurora, Ill.*

Performance Proof No.115

Compartmentizer keeps

RAILROAD MEN!

—THIS MESSAGE TO SHIPPERS HELPS BUILD CONFIDENCE IN RAIL SERVICE.

35,133 important executives are reading this performance proof in traffic publications. They are discovering the advantages in shipping by rail in P-S Compartmentizer-equipped box cars.



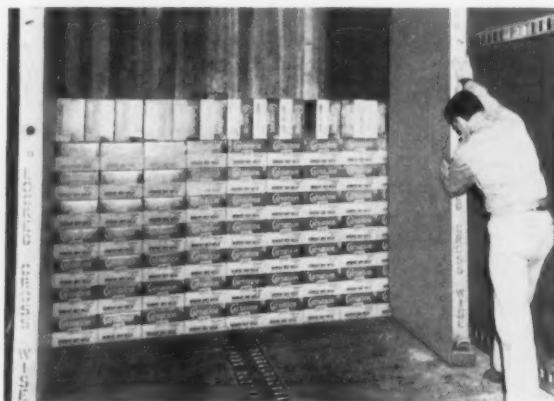
Loading—By using Compartmentizer-equipped box cars Carnation can take fullest advantage of modern mechanical handling equipment. There's no clutter of special parts to interfere—lift trucks (as

shown here) move right into the car and position cargo where needed. Compartmentized shipments help Carnation save an estimated 2½ man-hours loading time per car.

These shipper-conscious carriers have P-S Compartmentizers in service or on order to serve you . . .

Baltimore & Ohio	Minneapolis & St. Louis
Central of Georgia	New York Central
Chicago, Burlington & Quincy	Northern Pacific
Chicago Great Western	Pennsylvania
Fruit Growers Express	Seaboard Air Line
Great Northern	Southern Pacific
Merchants Despatch Transportation	St. Louis Southwestern
Milwaukee Road	Texas & Pacific
	Western Pacific

**Ask for them by name . . .
Compartmentizer-equipped box cars**



Loading—Compartmentizer handling ease and positive lading security contribute to further savings for Carnation. Compartmentizer Gates move easily (they roll on rails) up to the load, swing closed across the load face, then lock quickly and securely. Carnation reports, "savings in bulkheading and cooping . . . totals about \$30.00."

Carnation contented



**Reduces damage by 80%—
cuts loading time by 2½ man-hours,
saves \$30.00 in car preparation**

Producing *all* of these benefits—*measurable benefits*—is all in a days work for the Pullman-Standard Compartmentizer. It can produce these and more for most any shipper of box car lading and do it day after day, load after load.

Carnation *proved* these performance benefits in the recent stop-off shipment shown on these pages. They loaded 48,045 lbs. of seven different products and carton sizes in Milwaukee car #8760 at their Watertown, Wisconsin distributing point. Destinations were Augusta and Savannah, Georgia. Six roads handled the car: the Milwaukee, C&EI, L&N, P&N, SAL,

and G&F. Heavy interchange increased possibilities of damage. Yet the only damage to this load was caused by a hidden nail left in the side lining of the car from a previous shipment. Total damage for the load—\$5.60.

The complete picture story of how Carnation uses the Compartmentizer to cut loading time, reduce damage, and save car preparation costs for themselves and their consignees is shown on these pages. Check this performance proof for yourself, then get in touch with Pullman-Standard for information on how you can use the Pullman-Standard Compartmentizer to get many of the same benefits.

PULLMAN-STANDARD

CAR MANUFACTURING COMPANY
SUBSIDIARY OF PULLMAN INCORPORATED

221 NORTH LA SALLE STREET, CHICAGO 1, ILLINOIS
BIRMINGHAM, PITTSBURGH, NEW YORK, SAN FRANCISCO



1st Stop—The first stop consignee was the J. P. Keenan Company of Augusta, Georgia. The owner, Mr. F. M. McCarthy, made this comment as he examined the load, "These are in perfect condition, and you just can't get them any better than that." He knows how important good-looking floor displays are to his market customers . . . no shopper appeal had been lost in this load.



Final Stop—The Central Warehouse Company of Savannah, Georgia was the final consignee. Their shipment was kept in Compartmentizer security in both ends of the car. Notice that in this car end not a single carton is dented, not one is even out of line. No space is wasted on expensive bracing or bulkheading . . . this is tight load, a high-profit load for this consignee.



Final Stop—Here the last few cases of the Central Warehouse shipment are being moved out of the car. Note how clean the car is . . . it's ready for another load immediately. No time wasting clean-up is necessary, no loose dunnage to clear out of the car, no bulky parts to be replaced. The consignee simply closes and locks the Compartmentizer gates and the car is on its way.

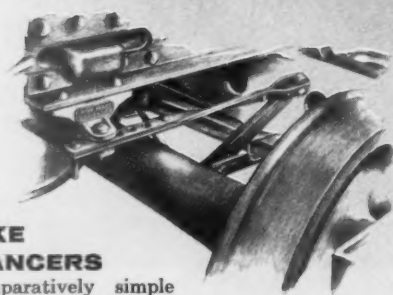
Since 1912

LEADERS IN RAILWAY APPLIANCE PROGRESS

Experienced in Design and Manufacturing of Specialized Products

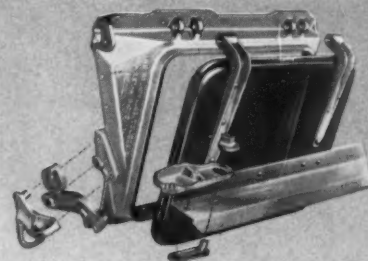
The nation's railroads are noted for many great transportation achievements . . . one of the most important being the efficient handling of the country's heavy bulk freight.

Since 1912, The Wine Railway Appliance Company has designed and manufactured many of the important parts of hopper, gondola, flat and box cars that make this handling function possible, as well as profitable, for the owners and users of the cars. In the years ahead, Wine will continue, through its experience, engineering know-how, and manufacturing skills, to keep pace with the needs of the railway industry.



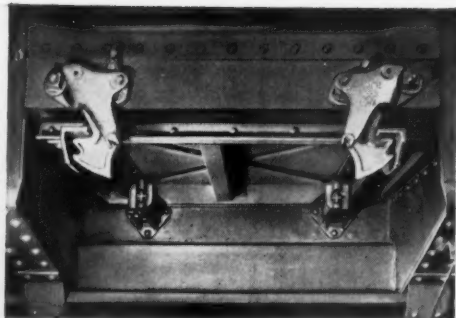
BRAKE BALANCERS

A comparatively simple method of equalizing forces and "balancing" the conventional brake arrangement by replacing the dead lever connection to the truck bolster with the Wine Balancer—connected to the car underframe. A bracket and connector at each end of the center sill flange, engaging the dead lever, balances the brake forces by returning them to the underframe of the car.



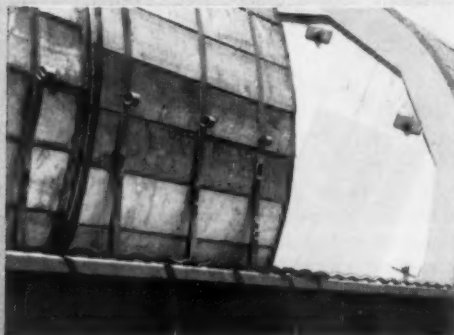
CORRELATED HOPPER UNITS

The one-piece, cast steel frame unitizes each individual hopper into a structurally sound, functional assembly which assures positive door fit. The adjustable locks, cast steel hinges, and symmetrical tapered door flange make possible the *only* adjustable door fit permitting compensation for wear or common irregularities of construction. "Balanced" unloading is assured by dual door operation and a method of controlled flow.



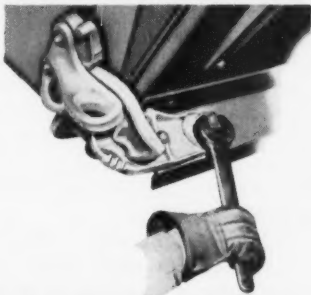
DROP BOTTOM SPRING HINGES AND ADJUSTABLE LOCKS

Drop Bottom Gondolas equipped with these two Wine products provide the shipper and receiver of the lading with a positive closure and afford a fast, economical one-man operation, with selective single or multiple opening of doors.



CONTINUOUS LADING BAND ANCHOR

Wine's continuous offset bar for top-coping applications provides a secure anchor for lading bands every 7½" of its entire length. Permits the use of all types of banding material.



ADJUSTABLE HOPPER DOOR LOCKS

The adjustment feature allows compensation for construction differences and readily permits adjustments necessitated by wear. Wine Adjustable Hopper Locks are adaptable to built-up, structural hopper openings as well as cast steel frames.



DROP END LOCKS AND END BALANCERS

The complete drop end combination from operating and security standpoints! Interlocked corners provide rigidity to keep the sides from spreading under load. The balancer incorporates the hinge function . . . permits a one-man, time and labor saving closure.



UNIVERSAL LADING BAND ANCHORS

Easily applied on all flat cars and gondolas, the Wine Universal Type Anchor features 360° rotation for tie-ins from any direction. Versatility of use permits welding on coping at important locations as well as mounting in the floor. Drop flush when not in use.



THE WINE RAILWAY
APPLIANCE COMPANY
TOLEDO 9, OHIO



"Put 42 on that package," clerk tells . . .

. . . trucker working freight car by platform.



Centralized Checking Pays Off

Central of Georgia's new communications system in each of two freighthouses provides two-way calling between clerks in a central office and truckers with portable speakers in freight cars. Systems, installed in houses in Macon and Columbus, Ga., are for handling LCL freight.

Two Central of Georgia centralized checking freighthouse installations which cost \$10,988 are producing annual savings of \$26,067. As a result of these communications installations, two clerks' positions were abolished at Columbus freighthouse, with a monthly saving of \$622.08. At Macon, four clerks' positions were abolished, with monthly savings of \$1,550.20.

The two installations, taken together, paid for themselves in five months. The cost and savings breakdown for each is as follows:

Freighthouse	Cost of Installation	Annual Savings
Columbus	\$5,698	\$ 7,464
Macon	5,290	18,602

Under the old system, each clerk worked with one gang of truckers. The clerk took the bills for a freight car, attached them to a clipboard and went out to the car on the platform. He called off the berth or spot numbers to the gang as they worked a car. It was not easy to keep papers neat and in order, because the clerk worked standing up with his clipboard for a desk.

Other disadvantages included loss of time by the clerks waiting for return of truckers, and truckers losing time because clerks did not have a suitable place to make reports and check bills. Also, the clerks were exposed to all kinds of weather.

Much time was lost by both clerks and truckers each time a car was completed, because the clerk had to go, or send, for bills at the warehouse office. Sometimes the clerk had to go as much as 20 car lengths. The gang would wait until he returned before going to the next car to be worked.

Under the new system, all clerks are in a central office with desks, proper lighting, and are out of the weather. When a gang starts work in the morning, one of the truckers goes to the central checking office to receive his gang's first assignment. At the same time he picks up a portable loudspeaker.

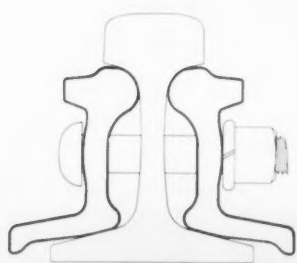
When he and the gang arrive at the car to be unloaded, the speaker extension cord is plugged into the nearest loudspeaker system outlet. The portable speaker is hung on a nail in the car or in the doorway of the car. Meanwhile, the clerk, knowing the spot number at which the gang will be working, goes to a switchboard in the office and makes a connection between his loudspeaker console and the circuit to the outlet at the gang's spot number.

(Continued on page 28)



For Performance and Economy

Sure-Fit Headfree Joint



TIGHTER BOLTS

REDUCED STRESSES

LESS WEAR

LONGER LIFE



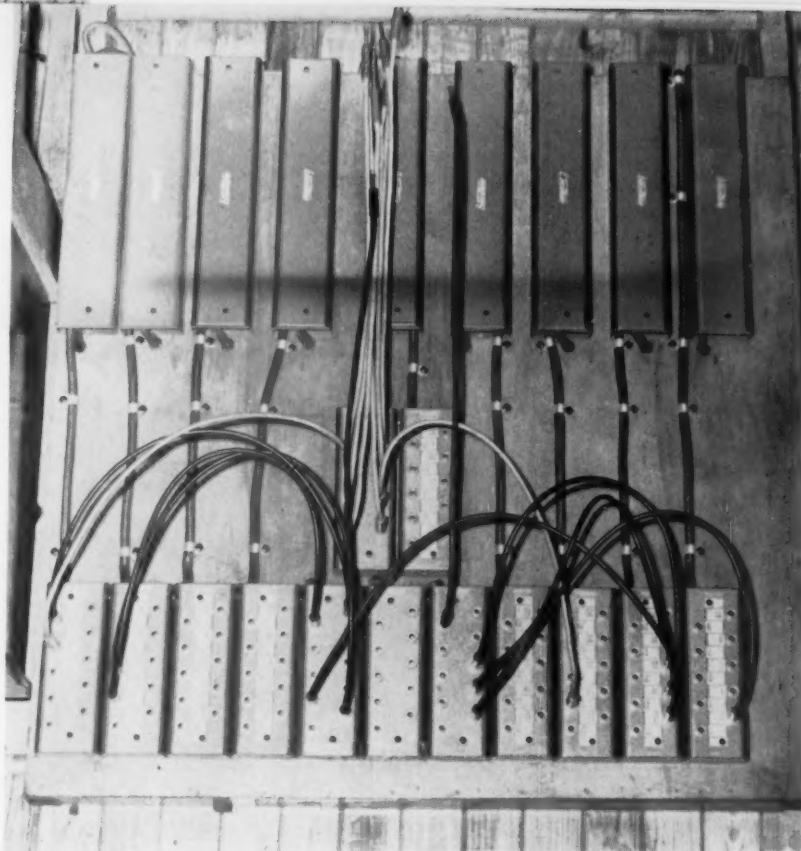
RAIL JOINT COMPANY
DIVISION OF POOR & COMPANY (INC.)
50 CHURCH ST. NEW YORK 7, N. Y.

(Continued from page 26)

When a trucker has turned up several packages so he can easily read consignees' names and addresses, he presses a signal button on his portable speaker. This actuates a buzzer and light on the clerk's console. The clerk answers by pressing his footswitch and talking into his chest microphone. He can talk to the trucker, and his hands are free to handle the waybills.

The clerk has the waybills for the car being worked, and he tells the trucker what numbers to mark on the packages. While one trucker takes a load to another freight car or spot number, a second trucker in the gang unloads packages and gets the spot numbers from the clerk. When a gang has finished working a car, they call the clerk to receive their next work assignment. One of the major benefits of the centralized checking system is that a clerk is able to work with two or three gangs instead of only one at a time.

The Macon freighthouse has four clerks' positions with loudspeaker consoles, 10 portable speakers with extension cords and 80 outlets along the platforms. The Columbus house has a like number of clerks' consoles and portable speakers, but has 10 more platform outlets. The equipment is made by Executone, Inc. Installation work was done by railroad forces.



CONNECTIONS are set up on this jack panel between clerk's loudspeaker console and trucker's portable speaker out on the freight platform.

Railroading



After Hours with *Jim Lyne*

CHAMPION PASSENGER?—Rogers Whitaker of the New Yorker magazine tells me he has just completed a self-imposed assignment of riding every mile of railroad in the U. S. which offers scheduled passenger service (i.e., not including lines served only by mixed trains). It took him a good 20 years to cover all that territory—and I don't know of anybody else that's done it.

PROFITABLE YARD—I was at Youngstown on May 1 at the opening of the P&LE's new electronic yard—and heard President John Barriger cite some startling ratios on the importance of terminal costs to today's railroad performance.

On Western lines, he said, yard service expenses average 45% of those of road movement. On Eastern roads the ratio is 70% and on his own road, the P&LE, the ratio is 200%. Which gives a general idea of the importance of the best available yard facilities to such a road—and to lots of others.

LARGEST RR LIBRARY?—Mr. Barriger has assembled all his railroad books, manuscripts and pictures in an orderly library at P&LE headquarters in Pittsburgh; and I would guess it's the largest and most complete collection of its kind anywhere, in individual ownership. There are few railroad libraries in any kind of ownership that could surpass it.

JWB has been collecting railroad material for 45 years—and, of photographs alone, he has over one hundred thousand.

MR. RAILROAD EXECUTIVE—If railroad officers were to be asked to select "Mr. Railroad Executive of the 1950's," my guess (from what I hear) is that most of them would pick President N. R. Crump of the CPR—for his resolute effort to terminate the costly over-manning of diesel locomotives.

This issue is a painful one from the human standpoint, and both Mr. Crump and the Kellogg Royal Commission deserve great credit for the effort they have made to minimize adversity to the employees directly affected. I still hope that the issue will be resolved peaceably. But there's no way to dodge the arithmetic.

It isn't a question of what managements **want** to do—but rather what they **have** to do, to keep the railroads a solvent and growing business. The big problem is to find means of minimizing the hardship on individuals.

PASSENGERS INVITED—My colleague Wally Abbey has sent me a business card used by Ross Conlin, Jr., of the B&O passenger department at St. Louis. In the left-hand corner of the card, over "Baltimore & Ohio Railroad" appears this line: "Have train—need passengers." Wally tells me the idea originated with Charles Matterer of the government reservation bureau at San Francisco.

Anyhow, the slogan gives the card-user a good excuse for passing his cards around in quantity—and the message has a lot more attention value than a card which is nothing more than a personal label.

Real down-to-earth

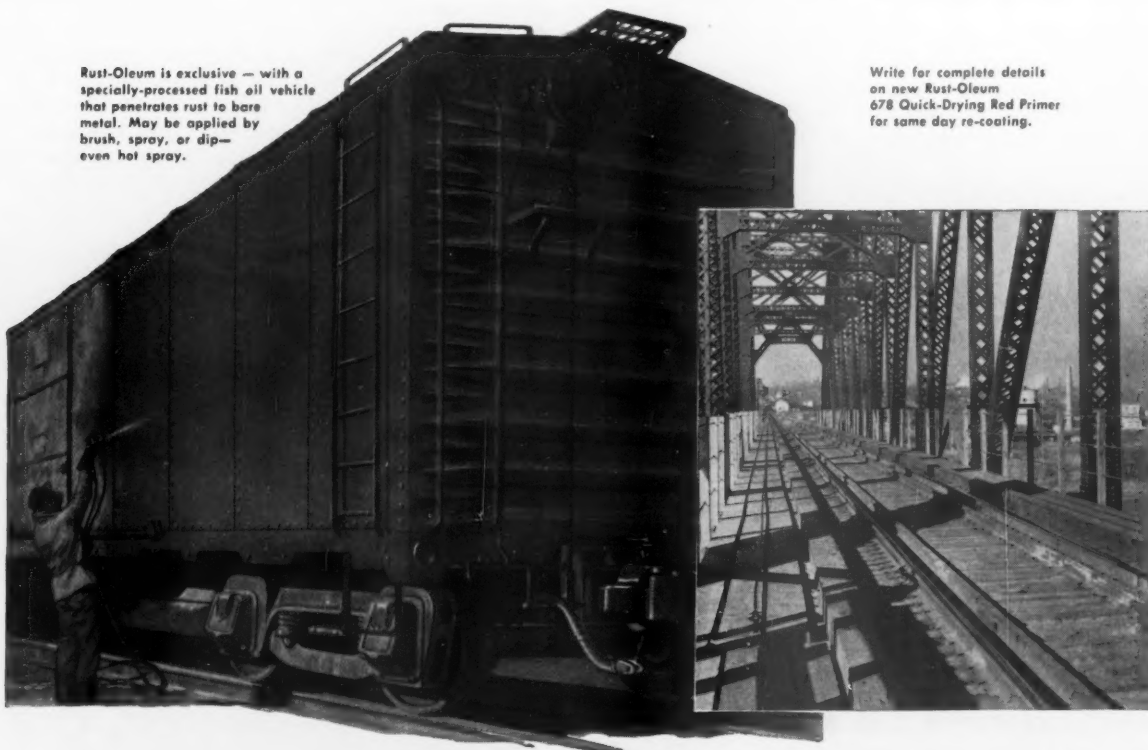
ECONOMY

Immediate Savings are yours with Rust-Oleum, because Rust-Oleum 769 Damp-Proof Red Primer may be applied directly over sound rusted surfaces after simple scraping and wirebrushing to remove rust scale and loose rust. Specially-processed fish oil vehicle *penetrates* rust to bare metal, as *proved* by Battelle Memorial Institute technologists. This usually eliminates sandblasting, flame-cleaning, and other costly surface preparations, enabling one man to do the work of two or more.

Over-the-Years Economy is yours because Rust-Oleum lasts and lasts — stands up against fumes, heat, smoke, sun, moisture, steam, and weathering to provide lasting beauty on bridges, towers, tanks, rolling stock, signaling equipment, etc. Try it . . . *see for yourself* how Rust-Oleum *Stops Rust* and beautifies as it protects in many attractive railroad finishes, including red, black, gray, green, white, aluminum, blue, yellow, and many others. Attach the coupon to your letterhead and mail it today for free test sample.

Rust-Oleum is exclusive — with a specially-processed fish oil vehicle that penetrates rust to bare metal. May be applied by brush, spray, or dip—even hot spray.

Write for complete details on new Rust-Oleum 678 Quick-Drying Red Primer for same day re-coating.



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Evanston, Illinois

Gentlemen: At no cost or obligation please
send me a free test sample of Rust-Oleum
769 Damp-Proof Red Primer to be applied
over rusted surfaces.



GRAVEL QUARRY...

is in hills above the construction site. Huge electric shovels load sand and gravel into a continuous procession of dump trucks. These deliver the material to the receiving end of the conveyor that takes it to barge loading point.



LOADED BARGE...

is maneuvered into dumping by a tugboat. Barges have seven compartments each with hydraulic gates that can be operated from the deck of the barge or cabin of the tug. Note fill reaching out into lake from shore.

PROMONTORY POINT...

at the east end of the causeway is source of most material going into fill. Here the contractor—Morrison-Knudsen Company—has built a construction town (1) to house its employees, mostly in trailers. Sand and gravel, originating at points outside this view, are carried by high-speed conveyor system (2) to radial stacker (3). Two shorter conveyors (4), emerging from tunnels in stockpile, load material into barges that carry it to site of fill in lake. Rock for core of fill is hauled in trucks from quarries (5) to dumping bridge (6) for loading into barges. Loaded barge is shown moving away from dumping bridge.

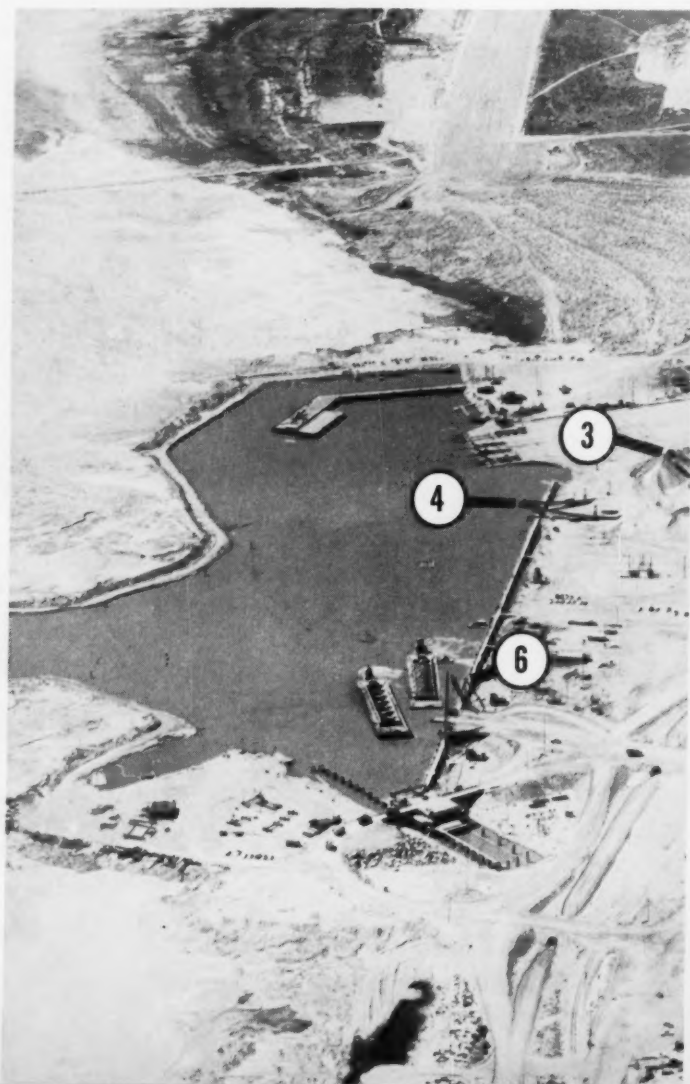
SP's Salt Lake

\$49-million project to replace 13-mile trestle with dry-land crossing is months ahead of schedule.

Sand, gravel and rock are pouring into the Southern Pacific's causeway across Great Salt Lake at a fast clip.

The project is considerably ahead of schedule, according to W. M. Jaekle, the SP's chief engineer. When work started in June 1956, the completion date was set for some time in 1960. Now it's estimated the road will be able to shift traffic from its 13-mile-long timber trestle to the dry-land crossing in the fall of next year.

By the time the new line is ready for operation, the SP will have spent an estimated \$49 million on the project, including cost of trackage and CTC equipment. What it is buying with this expenditure is relief from speed restrictions imposed by the 55-year-old trestle and the burden of repairing and maintaining the ancient structure.



Fill Rising Fast

By March 31 the construction forces had racked up these impressive totals :

- The dumping of 20,860,415 tons of sand and gravel into the lake by rail, truck and barge. This phase of the operations is now 74 per cent complete.
- The dumping of 11,515,562 yards of quarry-run rock in providing a core for the fill, which completed 59 per cent of this part of the job. Total dumping operations are now 69 per cent completed.
- The dredging of 14,649,163 yards of muck from the lake bottom to uncover a firmer foundation for the new fill. Only 4 per cent of this work remained to be done.

Objective of these grading operations is the creation of a single-track embankment 34 ft wide at the top. Its maximum base width will be 483 ft. It will extend 17 ft above the surface of the lake and will have a maximum height of 85 ft. The causeway will, in effect, fill a gap in existing embankments that reach out into the lake 2.5 miles from famed Promontory Point on the east and 5.1 miles from the west. The alignment, except at the end connections, will be 1,500 ft north of the existing trestle.



TWIN CONVEYORS . . .

extending into tunnels under stockpile of sand and gravel, deliver material to one of a fleet of bottom-dump barges. One of these barges, having a capacity of about 2000 cu yd, can be loaded in as little as 15 min.



SHALLOW-DRAFT BARGES . . .

each with a capacity of 1,000 cu yd, are used when fill has been built up too close to surface to permit dumping from bottom-dump barges. Smaller barges have flat tops, are unloaded by wheel or crawler tractors.



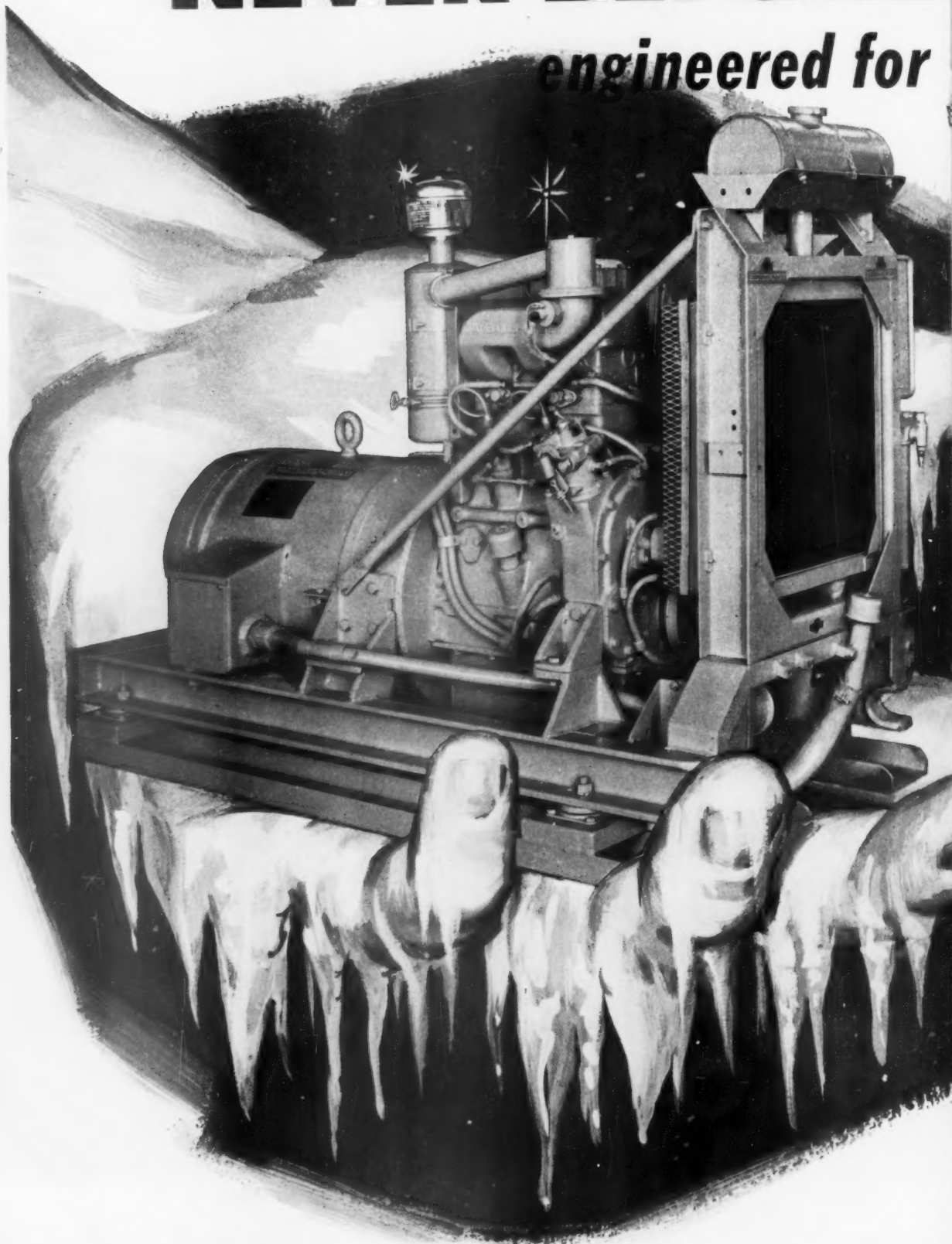
EMBANKMENT . . .

reaching out from Promontory Point is being extended with material hauled by dump trucks. At the west end, fill is being built up and extended by material hauled in railroad dump cars.



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Rugged, simple and compact—the new Fairbanks-Morse Model 45 Diesel is job-engineered for severest demands in railroad service.

Here is a heavy-duty engine and generating set ideal for new construction or conversions, for both 40 and 50 foot cars. Important operating economies are provided by top fuel and combustion efficiency over a broad load range, without engine loafing or overloading. Extra lube oil and cooling water capacity extends the operating range for greater safety margin. Cold weather starting is quick and positive. Unsurpassed accessibility facilitates routine servicing and operation.

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UNION PACIFIC RAILROAD COMPANY

Sixty-First Annual Report—Year Ended December 31, 1957

Report of the Board of Directors

New York, N. Y., April 24, 1958.

TO STOCKHOLDERS OF UNION PACIFIC RAILROAD COMPANY:

The Board of Directors submits the following report for the Union Pacific Railroad Company, including its Leased Lines,* for the year ended December 31, 1957.

Condensed Statement of Income

	1957	1956	Increase (+) Decrease (-)
Operating revenues	\$517,060,102	\$514,316,828	+ \$2,743,274
Operating expenses	\$382,354,717	\$376,254,724	+ \$6,099,993
Taxes (including taxes on income from oil and gas operations) ..	73,689,677	73,538,270	+ 151,407
Equipment and joint facility rents—net charge	22,197,684	22,386,672	— 188,988
Net income from transportation operations	\$ 38,818,024	\$ 42,137,162	— \$3,319,138
Net income from oil and gas operations (excluding income taxes) ..	29,097,113	26,603,162	+ 2,493,951
All other income	15,383,756	15,380,910	+ 2,846
Total income	\$ 83,298,893	\$ 84,121,234	— \$ 822,341
Interest on funded debt	\$ 4,520,711	\$ 4,670,071	— \$ 149,360
Miscellaneous rents and charges	530,406	882,318	— 351,912
Total fixed and other charges	\$ 5,051,117	\$ 5,552,389	— \$ 501,272
Net income from all sources	\$ 78,247,776	\$ 78,568,845	— \$ 321,069

Net income per share of common stock, after dividends on preferred stock, was \$3.34—only about 2 cents less per share than in 1956, and the dividends of \$1.60 per share declared on such stock (about 48 per cent of net income after preferred dividends) were the same as in 1956. However, net income from transportation operations declined sharply and the relatively satisfactory showing in total income was primarily the result of the increase in income from oil and gas operations.

After allowing for Federal taxes on income from oil and gas operations, total *non-transportation income* was \$35.5 million in 1957, or \$1.60 per share of common

stock.

The importance of such income may be appreciated by considering the following: Adjusting net *transportation income* (\$38.8 million) by adding back income taxes applicable to oil and gas operations and the non-cash charges for depreciation and retirements of transportation property, produces an amount of about \$76 million. Against this, payments of interest and other charges, expenditures for improvements to transportation property, cost of retiring debt, and payment of preferred dividends, aggregated \$71.8 million, leaving a balance of \$4.2 million, or about 19 cents per share of common stock.

* Leased Lines are: Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company, and The St. Joseph and Grand Island Railway Company. Figures in the Income Account are stated on a consolidated basis, excluding offsetting accounts between companies.

(Advertisement)

OPERATING REVENUES

Although **Freight revenue** was greater than in 1956, the amount of the increase was disappointing and fell considerably short of compensating for added operating costs resulting from increases during the year in wage rates and prices of materials. Average revenue per ton-mile increased 3.8 per cent, because of the freight rate increases effective March 7 and December 28, 1956 (mentioned in last year's report) and further increase authorized by the Interstate Commerce Commission, effective August 26, 1957. However, almost three-fourths of the increase in revenue from the higher average revenue per ton-mile was offset by the effect of a decrease of 2.6 per cent in ton-miles carried, caused by a decline in traffic during the last four months of the year, with a general slowing down of industrial activity.

The Western railroads applied in January, 1957, for a 17 per cent increase in freight rates in order to improve the rate of return on railroad investment to a basis more comparable with that of other leading industries. However, the Commission authorized, effective August 26th, an increase of only 7 per cent (with "hold-downs" on many important commodities, such as lumber, agricultural products, and coal) which was intended to compensate for higher wages and other costs under conditions then existing. It suggested that the railroads might apply later in the year for additional increases in freight rates and charges to cover anticipated higher wage rates and other costs, with the proviso that they should be requested on a selective basis, applying to specific commodities and services, rather than on a flat percentage basis applying equally to all commodities (except for "hold-downs"). Accordingly, on December 19, 1957, the railroads filed an application for increased rates on the basis suggested, and the Commission permitted certain increases (averaging about 1.64 per cent for Union Pacific on a weighted basis) to become effective February 15, 1958, on a temporary basis pending completion of its investigation.

The greatest revenue increases were in *iron and steel products*, *iron ore*, and *bituminous coal*, because of increased operations of steel plants, with iron ore and bituminous coal shipments being also stimulated by heavy exports; *sorghum grains*, chiefly because of larger crops of milo maize in Kansas and Nebraska; *canned and packaged food products*, due principally to more shipments

by Pacific Coast canneries to the East because of favorable market conditions; and *plywood*, as the result of increased utilization for sheathing by the building trades.

The largest decreases were in *forwarder traffic* (shipments consolidated by freight forwarders for movement in carload service) because of the drop in general business activity and the loss of some North Pacific Coast traffic diverted through a combination of factors to Vancouver, B. C., via routes in which the Union Pacific is unable to participate; *lumber*, due primarily to a sharp decline in construction of homes; *wheat*, because of reduced movement from Government storage to Pacific Northwest ports for export; *petroleum products*, as the result of a further loss to pipe lines and trucks, and the growing use of natural gas in place of fuel oil; *automobiles and parts*, chiefly because of decreased sales of cars and greater utilization of highway transports in lieu of rail movement; and *livestock*, reflecting reduced movement to Pacific Coast States from the Midwest where fewer cattle and hogs were available for shipment, partly because of drought conditions in some areas.

The decrease in **Passenger revenue** was caused chiefly by a further sharp decline in sleeping-car passengers carried, including military personnel. There was also a small decrease in coach travel, but revenue therefrom was somewhat greater than in 1956, because of a 5 per cent fare increase (also applicable to other types of accommodations) effective January 1, 1957.

The increase in **Mail revenue** resulted from a 7½ per cent increase in compensation for transporting mail, granted to Western railroads by the Post Office Department, effective July 1st, in recognition of the increased costs of providing such service.

The decline in **Express revenue** was due to a decrease in less-than-carload shipments resulting from a teamster's strike against the Railway Express Agency April 22 to July 22, 1957, and to the general decline in business during the latter part of the year.

The decrease in **Other revenue** was largely in receipts from dining and buffet cars, due to fewer passengers carried, and from boarding outfits operated for maintenance employees, because of a reduced number of outfits in service; offset in part by increased switching revenue due to increased rates.

OPERATING EXPENSES

The increase in **Operating expenses** was the result primarily of increases in wage and salary rates and in cost of "fringe" benefits to employees. In addition to the basic increases effective November 1, 1956 (10 cents per hour) and November 1, 1957 (7 cents per hour) and the cost of medical and hospitalization insurance for employees' dependents (mentioned in last year's report), all organized employees received cost-of-living wage increases in 1957 of 3 cents per hour effective May 1st and 5 cents more per hour effective November 1st. Notwithstanding higher prices for materials and supplies and greater charges for depreciation and for retirements of road property, if it had not been for the inflation of wages and increased employee benefits, operating expenses would have been about \$9.6 million less than in 1956, because

of the smaller volume of freight handled, increased operating efficiency, reduction in passenger-train miles operated, less repairs to passenger-train cars, and decreased rail renewals.

Way and structures were well maintained. Quantities of rails, ties, and ballast used in main track renewals were as follows:

	1957	Decrease under 1956
New rails (track miles)	123.93	100.33
Second-hand rails (track miles)	69.80	20.86
Total rails (track miles)	193.73	121.19
Ties (number)	711,756	100,866
Ballast (cubic yards)	429,787	14,637

TAXES

The decrease in **Federal income taxes** was the result of less taxable income in 1957 than in 1956. In determining such taxes, taxable income was reduced (as in each year since 1949) by the excess of (a) deductions

for amortization, on a 5-year basis, of portions of the cost of equipment and other improvements certified by the Office of Defense Mobilization to be necessary for national defense, over (b) depreciation prescribed by

(Advertisement)

Interstate Commerce Commission regulations, with equal annual charges spread over estimated service lives of such improvements, i.e., the "straight line" method of depreciation. The approximate amounts involved for 1957 compared with 1956 were:

	1957	Increase (+) or Decrease (—) vs. 1956
Amortization deductions	\$28,352,525	+ \$515,815
Excess of amortization over depreciation	21,202,755	— 193,810
Reduction in income taxes	11,025,433	— 100,781
Betterment in net income per share of common stock	\$50	—

The greater part of such reduction in income taxes represents a tax deferment rather than a permanent saving (unless income tax rates should be reduced in some future year). The Office of Defense Mobilization has dis-

continued granting certificates for amortization of any railroad property except certain equipment which had been ordered, or construction of which had been authorized, prior to January 1, 1956. Therefore, beginning in 1961, income taxes will tend to be greater than they would have been if the deductions for accelerated amortization had not been taken.

The increase in **Federal unemployment insurance tax** was due to an increase in the tax rate (applied to the first \$350 of each employee's monthly wages) from 1½ per cent in 1956 to 2 per cent in 1957.

State and county taxes continued their disturbing upward trend, with generally higher tax rates in 1957 for ad valorem and other property taxes.

Total taxes for 1957 were equivalent to 14.3 per cent of total operating revenues, \$1.611.44 per employee, and \$3.32 per share of common stock or only 2 cents less than the Common Stockholders' equity of \$3.34 per share in net earnings.

OIL AND GAS OPERATIONS

	1957	1956	Increase	Decrease	Per Cent
Receipts from sale of oil, gas, and other products	\$42,274,553	\$42,678,455	.....	\$403,902	.9
Production expenses (including depreciation)	\$6,915,134	\$8,155,183	.....	\$1,240,049	15.2
Taxes (other than income taxes)*	3,481,925	3,170,973	\$310,952	.....	9.8
Intangible drilling and development costs†	2,780,381	4,749,137	.....	1,968,756	41.5
Total charges against receipts	\$13,177,440	\$16,075,293	.....	\$2,897,853	18.0
Net income from oil and gas operations	\$29,097,113	\$26,603,162	\$2,493,951	.....	9.4
Drilling and development costs not charged against receipts	\$1,120,390	\$1,883,587	.....	\$763,197	40.5

* Federal taxes on income from oil and gas operations, of approximately \$8,993,000 in 1957, and \$7,968,500 in 1956, are included in "Taxes" under Transportation Operations.

† Represents costs such as labor, fuel, repairs and hauling in connection with drilling, geological work, clearing ground, building roads, and certain materials with no salvage value.

The decrease in receipts resulted from a further decline in production of oil in Wilmington field, the effect of which was largely offset by an increase in the average price received per barrel of oil, and by increased receipts from other fields due to higher oil prices, the aggregate production from such other fields having been about the same as in 1956. The decrease in production expenses was chiefly in Wilmington field due to smaller charges for

depreciation and reduced necessity for protective measures to offset the effect of land subsidence. Most of the increase in taxes represents higher assessments on property and oil rights in Wilmington field. The decrease in intangible expenditures resulted from fewer wells having been drilled in Wilmington field, with somewhat greater drilling activity in other areas where the Company shared in drilling costs.

(Advertisement)

Facts & Figures at a glance

Dividends Declared

ATLANTIC COAST LINE.—50¢, quarterly, payable June 12 to holders of record May 1.

CHESAPEAKE & OHIO.—common, \$1, quarterly, payable June 20 to holders of record June 2; 3½% convertible preferred, 87½¢, quarterly, payable August 1 to holders of record July 7.

CLEARFIELD & MAHONING.—\$1.50, semiannual, payable July 1 and January 1, 1959, to holders of record June 20 and December 19, respectively.

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS.—5% preferred, \$1.25, quarterly, paid April 30 to holders of record April 18.

CLEVELAND & PITTSBURGH.—7% guaranteed, 87½¢, quarterly; 4% special guaranteed, 50¢, quarterly, both payable June 2 to holders of record May 9.

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—common, 37½¢, quarterly, paid April 23 to holders of record April 3. (This dividend was inadvertently omitted from the list of dividends on page 36, Railway Age, Mar. 31.)

DELAWARE.—\$1, semiannual, payable July 1 to holders of record June 13.

LITTLE MIAMI.—Special guaranteed, 50¢, quarterly, payable June 10, September 10, December 10 and March 10, 1959, to holders of record May 15, August 15, November 17 and February 19, 1959, respectively; original capital, \$1.10, payable June 10, September 10, December 10 and March 10, 1959, to holders of record May 16, August 15, November 17 and February 19, 1959, respectively.

MINNEAPOLIS & ST. LOUIS.—35¢, quarterly, payable May 29 to holders of record May 14.

MOBILE & BIRMINGHAM.—4% preferred, \$2, semiannual, payable July 1 to holders of record May 29.

NORFOLK & WESTERN.—90¢, quarterly, payable June 10 to holders of record May 5.

NORTHERN CENTRAL.—\$2, semiannual, payable July 15 to holders of record June 30.

NORTHERN OF NEW HAMPSHIRE.—\$1.50, quarterly, paid April 30 to holders of record April 17.

PIEDMONT & NORTHERN.—\$1.25, quarterly, paid April 21 to holders of record April 4.

PITTSBURGH, FORT WAYNE & CHICAGO.—common, \$1.75, quarterly; 7% preferred, \$1.75, quarterly, both payable July 1 to holders of record June 10.

READING.—4% 1st preferred, 50¢, quarterly, payable June 12 to holders of record May 22.

ROCHESTER & GENESSEE.—\$2, semiannual, payable July 1 to holders of record June 20.

SOUTHERN.—70¢, quarterly, payable June 13 to holders of record May 15.

WESTERN PACIFIC.—75¢, quarterly, payable May 15 to holders of record May 1.

Organizations

AMERICAN ASSOCIATION OF RAILROAD TICKET AGENTS.—New officers are: President, George D. Douglas, Englewood Union Station, Chicago; vice-president, E. P. Capelle, Union Passenger Terminal, New Orleans; secretary-treasurer, J. D. Florence, Rock Island-Nickel Plate Travel Center, La Salle Street Station, Chicago.

ASSOCIATED TRAFFIC CLUBS OF AMERICA.—John B. Palmer, general freight agent, Texas & Pacific, Chicago, elected secretary, to succeed Raymond P. DeGroot.

FREIGHT LOSS AND DAMAGE PREVENTION SECTION, AAR.—Annual meeting will be held in conjunction with the Freight Station Section in the Queen Elizabeth Hotel, Montreal, Quebec, Canada, May 20-22.

FREIGHT LOSS & DAMAGE PREVENTION SECTION, AAR.—Will conduct its Fifth Annual Business Session, in conjunction with the annual business session of the Freight Station Section, May 20-22 at the Queen Elizabeth Hotel, Montreal, Que., Canada.

RAILROAD GENERAL AGENTS ASSOCIATION OF PHILADELPHIA.—Officers chosen for this newly formed organization are: Chairman, James J. Collins, general agent, Quana, Acme & Pacific; vice-chairman, Hugo A. Franke, general agent, Missouri Pacific; secretary and treasurer, J. Paul Lynch, district traffic manager, Western Maryland. The association will meet at luncheons on the first and third Fridays each month, except during July and August.

TRAFFIC CLUB OF CHICAGO.—1958 officers are: President, Walter N. Saaby, director of traffic, Victor Chemical Works; first vice-president, C. M. Gautwick, general freight agent, Northern Pacific; second vice-president, Eugene Landis, director of transportation, International Minerals & Chemical Co.; third vice-president, W. L. Bailes, freight traffic manager, Chesapeake & Ohio; treasurer, Ralph L. Androas, traffic manager, Standard Oil Co. (Indiana); secretary, Harry O. Mathews, general manager, transportation, Armour & Co.

TRAFFIC CLUB OF WASHINGTON, D.C.—The following officers have been elected to fill unexpired terms, due to the resignation of Vergil M. Perry, former president, who has been transferred to another city: President, Stanley B. Hoveland, General Services Administration; first vice-president, John P. Conger, Western Pacific; second vice-president, Zachary Taylor, Potash Company of America.

Dearmont Chides Pessimists

(Continued from page 9)

• The Monon sees no hope left for making passenger trains pay, and is ready to throw in the sponge.

Less than a year ago, Monon President Warren W. Brown was speaking to an Indianapolis traffic group about the passenger business. He told of the railroad's efforts to improve its service; he described some of the roadblocks facing efforts to make the service pay its way.

"There is," he noted, "a limit to the lengths you can expect a common carrier to go in discharging its obligations in the face of the obstacles thrown in our path."

That limit was reached recently when the road asked permission to abandon trains 5, 6, 11, 12, 14 and 15—its last six passenger runs.

Monon backed up its request with a 12-year rundown on passenger operating results—showing 12 straight years of losses. The 1957 loss (not including payroll taxes, joint facility expenses or equipment rentals), totaled \$622,948.

Monon's present service includes two trains daily each way between Chicago and Indianapolis, one train daily each way between Chicago and Louisville. Twice last year the road made cutbacks in an effort to reduce expenses. Early in 1957 dining-car service was cut from the Louisville trains. Then, with the fall timetable changes, Monon discontinued all parlor car service and dropped the remaining dining car operation, substituting a refreshment coach setup. But that wasn't enough.

In its petition to the Indiana commission, the railroad cited increasing operating costs and lower revenues over the years "to the extent that today [Monon] is faced with the problem of reducing expenses wherever possible to meet its current financial demands."

The Monon said its Indiana and interstate freight service is jeopardized by the road's present economic plight. The petition added: "Public need for passenger service provided . . . is not sufficient to endanger the vital and necessary freight service performed."

Heavy opposition to Monon's proposal is expected to develop, especially in some of the smaller communities.

But for Monon—with losses estimated at almost \$6,000,000 since 1946—the limit of endurance has been reached.

From Burlington President Harry C. Murphy last week came a "Yes, but—" view on the desirability of passenger trains.

"We believe it is in our interest to provide a good, reliable, attractive passenger service," said Mr. Murphy—but this "interest," he added, extends basically to primary runs between major cities. He went on to say that he could see no place for passenger service on branch lines, which, he said, have been made obsolete by automobiles.

What is the passenger train outlook? It all depends on where you're sitting.



NDTA Welcomes a New Lifetime Member

Frisco President Clark Hungerford (right), chairman of the board of the National Defense Transportation Association, presents honorary life membership to Maj. Gen. Frank S. Besson Jr.,

new U.S. Army Chief of Transportation. General Besson also became honorary president of NDTA with his recent assignment as Chief of Transportation.

SP Improves Malt Hopper 3 Ways

West Coast breweries will soon be receiving malt grain loaded in specially converted Southern Pacific hopper cars. The malt cars, SP feels, offer three distinct improvements to meet the specialized needs of malt transportation service.

Starting with a conventional covered hopper, SP shop forces at Los Angeles:

• Raised the roof 12 inches to provide a total capacity for 3,000 bushels of grain, the unit preferred by breweries;

• Lined the entire interior of the car with a special white plastic (Archer-Daniels-Midland 410) to provide maximum protection to the lading; and

• Installed pneumatic outlets beneath the car to permit unloading by suction hose rather than gravity.

SP has converted one car for the malt traffic, plans to do the same job on eight others. In addition, three cars will be adapted without being enlarged.

Roddewig Raps the Bargelines

Association of Western Railways President C. M. Roddewig invaded a major shipping center last week to level a blast at barge line transportation.

Present policies and regulations affecting rail-barge competition handicap the railroads and penalize the public, he told a New Orleans Traffic Club luncheon meeting. An example, he pointed out, was a railroad proposal to transport sugar from New Orleans to Cincinnati and intermediate points for 58 cents a hundred—5½ cents less than the cost of shipping to Cincinnati by barge.

"But barge operators protested and the ICC ordered the rail rate set at 1½ cents

a hundred more than the cost by barge—and 7 cents more than the railroads wanted to charge their customers."

The AWR president also challenged the claim that barge transportation is inherently "cheap."

"Bargelines are not required to pay one penny for use of the waterways. The Federal government has invested more than \$1.6 billion in 20,000 miles of inland waterways. Maintenance and operating costs are around \$40,000,000 a year, or \$2,000 a mile. That is what the inland waterway system is costing the nation's taxpayers—a subsidy paid by all for a favored few."



**"When You Work for a Man,
for Heaven's Sake WORK for Him"**

Thus an American philosopher* packed a volume into one short sentence.

Really, if you can't feel that way about your job, the company's wrong or you are miscast in your work. Either way, see to it that you're *happy* doing a heaped-up-and-running-over kind of job.

The same point of view applies to a manufacturer's relations with his customers. We at Adlake like "workin' on the railroad". While we are human, and make mistakes, we like to think that we are doing a well-above-average job for our boss.



*Elbert Hubbard

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MARKET OUTLOOK *at a glance*

Carloadings Down .1% Below Previous Week's

Loadings of revenue freight in the week ended May 3 totaled 533,004 cars, the Association of American Railroads announced on May 8. This was a decrease of 720 cars, or .1%, compared with the previous week; a decrease of 185,982 cars, or 25.9%, compared with the corresponding week last year; and a decrease of 237,554 cars, or 30.8%, compared with the equivalent 1956 week.

Loadings of revenue freight for the week ended April 26 totaled 533,724 cars; the summary compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, April 26			
District	1958	1957	1956
Eastern	81,716	111,400	129,403
Allegheny	92,132	135,524	157,607
Poconos	42,186	64,951	64,694
Southern	106,052	119,932	135,092
Northwestern	59,529	102,379	114,522
Central Western	103,789	108,376	121,179
Southwestern	48,320	48,227	57,480
Total Western Districts	211,638	258,982	293,181
Total All Roads	533,724	690,789	779,977
Commodities:			
Grain and grain products	49,352	45,646	49,861
Livestock	6,155	5,391	7,546
Coal	91,089	134,685	142,705
Coke	4,736	12,302	13,212
Forest Products	33,543	39,143	46,916
Ore	16,014	56,494	69,012
Merchandise l.c.l.	45,531	54,618	60,651
Miscellaneous	287,304	342,510	390,074
April 26	533,724	690,789	779,977
April 19	534,475	686,950	763,437
April 12	521,035	673,944	742,053
April 5	516,225	644,092	685,378
March 29	532,172	694,922	724,968
Cumulative total, 17 weeks	9,080,079	11,322,905	11,951,048

IN CANADA.—Carloadings for the seven-day period ended April 21 totaled 69,331 cars, compared with 66,367 cars for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
April 21, 1958	69,331	26,696
April 21, 1957	61,262	31,516
Cumulative Totals:		
April 21, 1958	1,021,511	457,431
April 21, 1957	1,114,422	525,282

New Facilities

► **Baltimore & Ohio.**—The road's new Chelsea Freight Station on the Manhattan waterfront—a \$2,000,000 pier leased from the City of New York's Department of Marine and Aviation—opened last week. The new pier incorporates a railroad forwarder freight terminal, a 130-car public rooftop parking facility, and a two-story office section.

► **Brazil.**—Bidding for supply and installation of complete railway signal system for two sections of the Sorocabana Railroad, between Barra Funda and Ourinhos, has been reopened, says Foreign Commerce Weekly. Bids will be accepted until May 27. Original deadline was November 14, 1957 (Railway Age, September 30, page 43). The revised invitation for bids specifies conformance with standards of the AAR Signal Section. Bids go to the railroad's board of directors, Praca Julio Prestes, Sao Paulo.

► **Milwaukee Road.**—Has installed new telephone reservation system in Chicago Union Station. Equipment provides 15 phone lines and can store as many as 45 calls on a magnetic drum if no line is available. Recorded messages greet callers and periodically thank patrons for their patience if calls must be "stored." System was developed by Illinois Bell Telephone Company.

► **Seaboard Air Line.**—Contract for an extensive grading project on a 266-acre industrial development site near Charlotte, N. C., has been awarded to the Charlotte construction firm of Blythe Brothers Company. The grading project, which is scheduled for completion by July 1, marks the start of a \$1,000,000 improvement program on the site.

► **Southern Pacific.**—Will install centralized traffic control on 22 miles of mainline between Moor and Valley Pass, Nev. Control of this section will be from a machine to be installed at Ogden, Utah, which is to be coordinated with other CTC section controls. This installation will bring 140 miles of the 535-mile Ogden-Sparks, Nev. mainline under CTC control.

Equipment Ownership

LOCOMOTIVES

► **Steam Ownership Down to 2,113.**—Steam locomotives owned or leased by Class I roads April 1 totaled only 2,113, a drop of 1,276 from April 1, 1957, the AAR reports; diesel ownership rose, electric units declined, in period covered by report summarized below.

	Owned or Leased April 1		Stored Serviceable April 1		Waiting Shops April 1	
	1958	1957	1958	1957	1958	1957
Diesel (Units)	27,566	26,518	1,033	64	1,182	974
Steam (Locomotives)	2,113	3,389	1,008	848	568	562
Electric (Units)	568	607	38	15	82	73

FREIGHT-TRAIN CARS

► **Repair Ratio Higher.**—With freight cars owned by Class I roads totaling 1,751,504 on April 1 and with 106,372 cars awaiting repairs, the repair ratio was 2.0% higher than a year ago, according to AAR report summarized below.

	Apr. 1, 1958	Apr. 1, 1957	Change
Car Ownership	1,751,504	1,720,304	31,200
Waiting Repairs	106,372	70,220	36,152
Repair Ratio	6.1	4.1	2.0%

NYC Spending Depends On Congress, Says Perlman

The New York Central will immediately resume its \$150 million capital improvement program if Congress approves pending recommendations for rail aid, says NYC President Alfred E. Perlman.

Mr. Perlman told the Economic Club of Detroit that resumption of this program "would mean spending for steel and labor, the two greatest problems in our nation's presently depressed areas."

He pointed out that since the beginning of the year, most eastern railroads had been forced to defer capital improvement programs and reduce maintenance expenditures. The \$150 million program which the NYC had budgeted for 1958—and was forced to cancel—included two new electronic yards for which planning had already started.

Centennial Story Goes by Train

The story of Minnesota's first 100 years will be carried to 97 communities this summer aboard a nine-car train provided by 11 railroads.

Consisting of six baggage cars and three maintenance cars, the display train set out April 19 for a swing which will take it into all of the state's counties except the one which has no railroads. The train is being handled cooperatively by Minnesota's railroads and moves in whatever service is available.

John M. Budd, Great Northern president, is co-chairman of the train project with Minneapolis-Honeywell Regulator Company Vice-President John E. Maines. C. C. Scheuble, Minneapolis & St. Louis superintendent, is accompanying the train as director.

Total estimated value of the train is a million dollars. The railroads have contributed an estimated \$350,000 in equipment, right-of-way and services. Exterior of the train is sheathed in laminated aluminum panels.

Owen Clarke Suggests Letter-Writing Campaign

Owen Clarke, former ICC chairman who is now vice president of the Chesapeake & Ohio, thinks a letter-writing campaign might help bring about swift enactment of the Smathers recommendations on rail aid.

"Carriers, shippers, receivers, suppliers, investors, everyone intimately concerned with transportation and dedicated to the ideal of free competitive enterprise, has an obligation to help bring about the enactment of these proposals," he told a meeting of Delta Nu Alpha, transportation fraternity, in Cleveland.

Mr. Clarke urged "as a minimum, writing or wiring your Congressman without delay, expressing your support for the program."



'Carlady' on the C&O

Only woman member of the Brotherhood of Railway Carmen on the C&O, Ada Parks, 62, is an air hose specialist. She works at the road's Grand Rapids, Mich., car shops. Daughter of a railroad switchman, she's been working in the shops since World War II. Her (male) boss says: "She's a real worker, that gal."

Post Office and L.I. Plan New Mail Handling Set-Up

Post Office Department negotiations with the Long Island are expected to assure next-day delivery of virtually all mail between any two Long Island post offices and between New York and any point on Long Island.

This has been announced by Postmaster General Summerfield, who explained that, under the plan, mail of all classes will move to and from eastern Long Island points on L.I. trains. The plan supersedes a 1952 arrangement whereby preferential mail, such as first-class letters, has been handled in this area by rail and bulk mail by post office trucks.

Under the pending contract, all classes of mail will move by the fastest available means of transportation, whether rail or highway. The new set-up will have these features:

1. Rearrangement of railway post office schedules to provide early morning delivery to all offices on eastern Long Island.
2. Service improvements, including later closing times for mail and prompt movements out of post offices.
3. Expanded use of L.I. trains for all classes of mail.

All of this service will be covered by a single contract with the railroad. Three truck routes to eastern Long Island will be eliminated, but remaining truck routes will take the place of discontinued rail service in the middle of the day.

The plan also contemplates construction, under a separate lease contract, of a new terminal mail handling facility at

Richmond Hills, near L.I.'s Jamaica passenger station. L.I. will build and maintain this facility for lease to the Post Office Department, and it will be operated by post office personnel.

Except for two mail trains daily to Pennsylvania Station, New York, Jamaica will become the western terminal of L.I. mail service. The new facility is expected to be completed by June 1.

Unemployment Insurance Benefits Hit New High

Railroad unemployment insurance benefit payments turned upward again in March, to set a new record high of \$21,660,776, according to Railroad Retirement Board figures. The number of beneficiaries—173,080—was the highest recorded since March 1950.

The previous high in benefit payments was set in January but the total then declined slightly in February. First reports on April operations indicate that the month's total may surpass March figures, although benefit exhaustions may become a factor in the reckoning.

Single Agency Plan For Small Shipments Due

A committee appointed late last year to study the single agency plan for small shipments is scheduled to make its findings public shortly.

"A tentative plan has been prepared although the details have not been finalized," Richard A. Whitty, director of traffic for Belknap Hardware & Manufacturing Co., told the National Small Shipments Traffic Conference, Inc., workshop in Chicago.

Basically, the single agency proposal is that I.C.I. freight, express and second, third and fourth class mail would be handled in one expedited merchandise train service.

BAR's First Quarter On Par With 1957

The Bangor & Aroostook's first quarter earnings were as good as during the comparable period in 1957, BAR President W. Gordon Robertson told the New York Society of Security Analysts.

Whether earnings for the whole year will equal the 1957 level depends largely on how well the road's refrigerator equipment rentals hold up, he said.

Mr. Robertson said BAR freight revenues in March this year were \$1,909,148, very nearly the best month in the road's history. Revenue was up 3.3 per cent over March, 1957, in spite of the fact that 3 per cent fewer cars were loaded. Behind this apparent paradox is the recent slash in potato rates coupled with a rise in minimum carloads (Railway Age, May 5, p. 32).

Research Paves Way to Paydirt

The C&O-Bessemer market study in Erie, Pa., was an eye-opener for railroads. It suggested for one thing, that conventional rail service isn't enough to capture traffic now moving by highway.

How can railroads induce highway shippers to move their traffic back to the rails? Will a new rate or a service improvement do it? Or is the answer a new type of shipping container, or a special car?

In an effort to find the answer, the Chesapeake & Ohio conducted a sample study of shipments made by 20 Cleveland firms. Results of the study (Railway Age, Feb. 3, p. 38), although inconclusive, were interesting enough to indicate the desirability of an expanded study—and also the development of a mechanical method of analysis.

It was then that the C&O decided to join the Bessemer & Lake Erie in a broader market study in Erie, Pa. Each railroad had a particular goal in mind:

- C&O was trying to develop a market research approach that could later be applied in its own territory.

- The Bessemer wanted data that could be of immediate value. It wanted to recapture traffic moving by highway—and a necessary first step was to map the entire flow of traffic in its territory.

Erie was selected as a test city because it represented a manufacturing town with diverse products—and was also a northern terminal of the Bessemer.

Results of the Erie study were presented at a recent meeting of the Railway Systems & Procedures Association in Chicago (Railway Age, May 5, p. 36). On this page are reproduced some of the basic findings: a summary of outbound rail and truck shipments by mileage zones and by weight.

What can such an exhaustive collection of data accomplish? Coded and fed into IBM machines (using elements of a system developed by the U. S. Census Bureau), it accomplished a lot for the Bessemer. Commented a Bessemer officer: "It paves the way to paydirt."

One finding that might lead to "paydirt" for the Bessemer:

The major outbound movement from Erie is by highway. Trucks moved 8,373 shipments out of a grand total of 10,143 in the sample month. Only 17 per cent of the shipments of these relatively high-rated finished commodities moved by rail.

The study also revealed the predominance of relatively light shipments—80 per cent, or 8,090 out of 10,143 shipments weighed less than 2,000 pounds.

Preliminary conclusion: Conventional carload service and minimum weight requirements are likely to be unsuitable for winning back large amounts of traffic now

moving by motor carrier. Piggyback might be the answer—since it offers carload economy for l.c.l. traffic.

A somewhat surprising conclusion of the Erie study was that railroads are not getting all of the long haul heavy traffic. In the sample month there were 189 truck shipments originating in Erie exceeding 20,000 pounds which had over-the-road movements of 300 miles or more.

The Erie study uncovered a wealth of other information for the Bessemer. Most important, it established a method by which all railroads may search for answers to four questions of paramount importance in any effort to capture new traffic.

The questions, which market research specialists are urging all railroads to ask themselves, are these:

1. What goods are now moving in our operational area?

2. Why do they move via certain carriers?

3. What kind of rates and service must we offer to get a bigger share of this business and how must we merchandise them?

And the payoff question—

4. Can we attract enough traffic to pay the cost of improving or changing our transportation and marketing it effectively?

Summary of Outbound Shipments

26 ERIE, PA. INDUSTRIAL PLANTS FOR A TYPICAL 1957 MONTH

Miles Shipped (Zones)	Under 2000 lbs.				2000-5000 lbs.				5000-10000 lbs.				10000-20000 lbs.				Over 20000 lbs.			
	No.	%	CWT	Total	No.	%	CWT	Total	No.	%	CWT	Total	No.	%	CWT	Total	No.	%	CWT	Total
RAIL SHIPMENTS																				
-100	200	2.48	781	2.42	16	2.33	546	2.61	11	3.48	771	3.48	3	1.51	449	1.63	11	1.99	6,444	1.55
100-300	343	4.24	871	2.72	17	2.48	550	2.63	5	1.59	354	1.60	1	.51	180	.65	99	11.61	52,870	12.74
300-500	355	4.38	1,091	3.39	28	4.09	900	4.30	2	.64	132	.59	6	3.03	900	3.27	134	15.70	72,086	17.38
500+	356	4.40	1,065	3.31	17	2.47	549	2.62	5	1.58	342	1.55	3	1.52	482	1.76	158	18.53	82,274	19.81
Total Rail	1,254	15.50	3,808	11.84	78	11.37	2,545	12.16	23	7.29	1,599	7.22	13	6.57	2,011	7.31	402	47.53	213,674	51.48
TRUCK SHIPMENTS																				
-100	969	11.98	4,045	12.57	125	18.22	4,040	19.31	120	37.97	8,701	39.26	58	29.29	7,943	28.88	59	6.92	38,665	9.39
100-300	2,066	25.34	9,201	28.59	203	29.59	6,008	28.71	100	31.62	6,927	31.26	81	40.91	11,138	40.49	203	23.80	102,645	24.73
300-500	2,160	26.70	9,105	28.31	185	26.97	5,456	26.02	49	15.51	3,345	15.09	37	18.68	5,107	18.58	167	19.57	54,036	13.01
500+	1,641	20.28	6,014	18.69	95	13.85	2,888	13.80	24	7.61	1,589	7.17	9	4.55	1,304	4.74	22	2.58	6,059	1.46
Total Truck	6,836	84.50	28,365	88.16	608	88.63	18,382	87.84	293	93.71	20,562	92.78	185	93.43	25,492	92.69	451	52.87	201,405	48.52
TOTAL RAIL AND TRUCK SHIPMENTS																				
-100	1,169	14.46	4,826	14.99	141	20.55	4,586	21.92	131	41.45	9,472	42.74	61	30.80	8,392	30.51	70	8.21	45,109	10.87
100-300	2,409	29.78	10,072	31.31	220	32.07	6,558	31.34	105	33.21	7,281	32.86	82	41.42	11,318	41.14	302	35.41	155,515	37.47
300-500	2,515	31.08	10,196	31.70	213	31.06	6,346	30.32	51	16.15	3,477	15.68	43	21.71	6,007	21.85	301	35.27	126,122	30.39
500+	1,997	24.68	7,079	22.00	112	16.32	3,437	16.42	29	9.19	1,931	8.72	12	6.07	1,786	6.50	180	21.11	83,333	21.27
Total R.A.T.	8,090	100.00	32,173	100.00	686	100.00	20,927	100.00	316	100.00	22,161	100.00	198	100.00	27,503	100.00	853	100.00	415,079	100.00



Never far from the door, one man can upgrade a car in about 15 minutes. High pressure Hot Hydraulic Cleaning washes dirt out of cracks and corners no brush could ever reach.

Freight cars go back into service sooner—and often higher-revenue service—after quick, inexpensive Hot Hydraulic Cleaning with a Vapor Upgrader Senior. For an average of less than a dollar per car, railroads achieve greater utilization of equipment, ease their freight car shortage.

Heart of the system is a Vapor high capacity, high recovery boiler. This supplies high pressure steam to a high pressure injector where the steam jet induces a water stream of 1500 gph at 180° F. and 250 psi. The hot, high pressure steam then is delivered at 175 fps for high velocity scouring.

Under this torrent of hot water, dirt and encrustations are loosened and flooded away, yet neoprene or other sealant finishes commonly used on car interiors are unaffected.

When detergents are used with the Upgrader, stubborn oil and grease can be so thoroughly washed out that floor boards need not be removed even if the car is to be used for hauling wheat or sugar.



All traces of lime and cement washed away and no odor left. It took one man only 20 minutes to make this car acceptable for hauling grain. Even hide cars can be upgraded with Vapor Hot Hydraulic Cleaning.

A typical railroad's experience with Vapor Upgrader Hot Hydraulic Cleaning, compared with previous hand-scrub method.

Considering the cost of brushes, buckets, water and other incidentals of hand washing, it is evident that Upgrader Hot Hydraulic Cleaning saves about 85% of the cost of cleaning cars and does a faster . . . far better job.

Get exact, detailed information about Vapor Upgrader Senior—ask for Bulletin 596A.

VAPOR HEATING CORPORATION
80 EAST JACKSON BOULEVARD • CHICAGO 4, ILLINOIS

Offices in
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Cleaning
Labor Costs
Reduced 80%

30 cars a day (per man)

back in top revenue

service with fast

VAPOR UPGRADER

cleaning

UPGRADES FREIGHT CAR REVENUE



On three wheels or four wheels, with skids or on a rigid base for truck or wheeled platform mounting, Upgraders can be moved easily. Wherever steam cleans, Upgrader saves money.

	Scrub Brushes & Cold Water	Upgrader 180° F. Blast Washing
Hours required to clean one car	2.5 (3 cars per day per man)	.25 (30 cars per day man plus Upgrader)
Cost Per Car:		
Labor	\$5.50	\$0.55
Fuel	nil	0.332 or less
Water	0.023 or less	0.023 or less
Amortization & Maintenance	nil	0.075 or less
Total cost per car	\$5.52 or more	\$0.98 or less

Letters from Readers

[Robert G. Lewis, Railway Age publisher, is spending three weeks on a rail-roader's holiday in Russia. He's riding trains. The following letter records his impressions on the first leg of the rail trip into Russia from Finland.]

Enroute—Helsinki to Leningrad
Mr. Jim Lyne
Editor, Railway Age
New York
Dear Jim:

My first experience with the Soviet Railways is a "duplicate sale." There are two Russian passengers with me in my "soft class" bedroom from Helsinki to Leningrad. Since we don't have to sleep aboard, it doesn't make much difference. Our train left Helsinki at noon, and is due in Leningrad at 12:13 tomorrow morning. The train is made of two sections: one Finnish, which goes to the north somewhere west of the border, and one Russian. They are completely separated—with two RPO cars between. The Soviet section is staffed with Russians. No one speaks any English at all.

The Finnish section carries a Wagons-Lits dining car, not available to those in the Russian cars. You have to live 12 hours on tea, which the porter makes in a charcoal-burning samovar. This he serves ice-cream-soda-style, a glass in a silver container. For 100 Finnish marcas, about 30¢, you can have hard sweet cookies with your tea—or go hungry. The cookies are in a colorful box, decorated with a bunny rabbit playing a drum.

My Russian fellow travelers are very friendly. At Riihimäki—pronounced Reemäki—I left the Russian section, over the protest of the conductor, and went forward to the Finnish cars. I had a wonderful lunch, wienerschnitzel and beer, for 960 marcas—\$3.00 U. S. When I returned at the next stop, an hour later, my Russian friends expressed uninhibited joy; they were sure I had been left at Riihimäki!

Forget the equipment and the interior surroundings, and you could believe you were on the Bangor & Aroostook, heading north. Even to the mountains of pulpwood. With a little stretch of imagination, Lahti could be Millinocket, even to the paper mill there. Chief difference is a lot of horses and bicycles, and almost no automobiles.

Our train is running right on time at a comfortable 30 to 40 mph. It is a long one, powered by a 2-8-2 built at the Finnish Altoona, Tampere, in 1954. The Finnish cars are all wood, and very old. The Russian cars are steel, built this year at Ero-poba. The trucks are all roller-bearing equipped, some made in Russia, some in Poznan, Poland. The railroad is all double-

tracked. Rail is 80- or 90-lb, with conventional fastenings. No signaling. There are frequent movements, freight and passenger. The freights carry through equipment from the USSR, including flats loaded with Moskovys—Russian automobiles.

Looking forward to my 16 days behind the curtain, which start in a few hours now, God and the Russians willing.

Best,
Bob

Handled Superbly

Minneapolis, Minn.

To the Editor:

The Age's spotlight on our newspaper seminar, (May 5, 1958) is appreciated. The program was handled superbly by your staff representative, whose presence was welcomed by our people.

In connection with our passenger train commentary at the seminar, I should like to state that at no time have we contemplated service on all lines, even if one man train crews were available. There has been some discussion among outsiders about such a plan, but there is simply not enough potential on most of our property to even consider it.

J. R. Sullivan
Vice President-Personnel
& Assistant to the President
Minneapolis & St. Louis

Wages Understated

Dallas, Tex.

To the Editor:

On page 7, March 31 Railway Age, under the caption "Short and Significant," is the first item, reporting that \$2.27 per hour was the average pay rate for railroad employees in 1957. I hope you will pardon me for taking issue with that statement, for the reason that the figure you mention is the basic pay for time worked, and does not include all fringe benefits, such as:

1. Compensation for vacation, sick leave and holidays,
2. Pay roll taxes: (a) retirement; (b) unemployment,
3. Health and welfare,
4. Insurance for dependents.

When you add all of that together, you will get the correct average pay rate for railroad employees in 1957.

On our railroad, the basic pay for time worked last year was \$2.397, compared with the previous year's \$2.192. Total average earnings per hour worked (including fringe benefits) for last year was \$2.742, and the year before it was \$2.509. The figures I am quoting for our railroad include the pay earnings of all employees, including officials and staff.

W. G. Vollmer
President, Texas & Pacific

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so much
to
choose
from
at...



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Cleveland Room

Dine in the splendid old world setting of a grand dining room. The menu is varied, the service unexcelled.

Bronze Room

One of the brightest of the city's supper clubs. Dancing nightly from 9:00 p.m.
Air conditioned, of course.

Rib Room

A true specialty restaurant. For Fabulous Roast Beef, roasted, carved and served to your order.

MEN'S BAR

Strictly stag—is this all male haven for good drinks, good food and good talk. Plus sports events on TV.

TRANSIT BAR

For rapid service in the most unique bar in the country... decorated with an outstanding collection of miniature trains.

the PATIO

Pause—in the relaxing, informal atmosphere of the gayly decorated Patio. It's a Cleveland habit to say—"Meet me at the Patio."

Coffee Shop

Service is brisk and decor cheerful in the modern, air-conditioned coffee shop. Enjoy a tasty sandwich or a moderately priced meal.





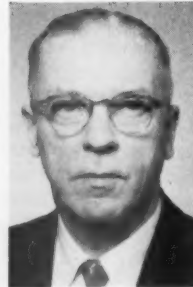
Edward J. Movalli
CV



John F. Kerslake
C&O



Samuel G. Van Arsdell, Jr.
C&NW



John M. Trissal
IC

People in the News

BALTIMORE & OHIO.—Joseph Sima promoted to assistant general freight agent, Chicago, succeeding Warren J. Smith, appointed assistant freight traffic manager there (Railway Age, April 14, p. 48). R. J. Grace appointed assistant general freight agent, Baltimore, succeeding the late C. P. Ruff. Charles E. Falconer, chief rate clerk, freight traffic department, succeeds Mr. Grace as commerce agent.

BANGOR & AROOSTOOK.—Francis D. Murphy, Jr., mechanical engineer, promoted to assistant mechanical superintendent, Derby, Me., succeeding Frank E. Baker, retired. Harold W. Hanson, assistant engineer, succeeds Mr. Murphy. Carl R. Smith, assistant to president, Bangor, Me., elected vice-president.

BESSEMER & LAKE ERIE.—J. W. Read appointed superintendent, Greenville, Pa.

CENTRAL VERMONT.—Edward J. Movalli, assistant superintendent, appointed superintendent, St. Albans, Vt., succeeding the late John E. Simpson. W. C. R. Howard named general storekeeper, St. Albans.

CHESAPEAKE & OHIO.—A. N. Gilbert appointed assistant to superintendent motive power, Richmond, Va., succeeding W. V. Moseley, who retired March 31.

John M. O'Connor, general agent, Boston, appointed assistant general freight agent, Chicago, succeeding L. J. Hurckes, who retired April 30. Edgar A. Long appointed general agent, Minneapolis, Minn., succeeding C. A. Carlson, who retired April 30. Wilson M. Reid named general agent, New Orleans, La., succeeding Kenneth C. Hoffman, transferred to Boston, to replace Mr. O'Connor. J. P. Kelley, general freight traffic manager, Richmond, retired April 30.

William R. Althans and Hewitt Biaett, general solicitors at Cleveland and Richmond, respectively, elected general counsel, with the same headquarters. Strother Hynes and Glenn C. Wilber, assistant general counsel at Richmond and Detroit, respectively, appointed general solicitors at those points.

Hayes T. Watkins, general auditor-accounting, appointed general auditor-operations accounting.

John F. Kerslake, director of tax administration, appointed treasurer, succeeding the late A. F. Dell Isola. John P. Ganley, assistant treasurer, succeeds Mr. Kerslake.

Leo J. Schneider, assistant to general coal traffic manager, Cleveland, appointed general coal traffic agent, Richmond. Carl B. Weber, assistant coal traffic agent, Cleveland, succeeds Mr. Schneider.

E. W. Locke, supervisor diesel locomotives, St. Thomas, Ont., appointed mechanical supervisor there, with jurisdiction over all mechanical matters on the Canadian division, succeeding O. T. Butcher, who retired April 30.

CHICAGO & NORTH WESTERN.—D. R. Whitenight, Jr. appointed mechanical inspector-car, Chicago. Joseph Verona, assistant manager, dining car department, Chicago, appointed manager, dining car department there.

Samuel G. Van Arsdell, Jr., formerly production manager, Premier Autoware Company, Cleveland, appointed to the newly created position of manager of stores, C&NW. William J. Kenney and William H. Boylan, assistant general storekeepers, Chicago, named assistant manager of stores and central stores manager, respectively. Fred B. Bartsch, general storekeeper, Chicago, retired May 4.

FLORIDA EAST COAST.—Appointment of J. Turner Butler and William A. Hallows as trustees of the FEC, Jacksonville, Fla., was recently confirmed by the Interstate Commerce Commission and they assumed their new duties April 3, succeeding the late John W. Martin. A. A. Jackson continues as administrative assistant to trustees at St. Augustine, Fla. Mr. Butler, an attorney, is a former member of the Florida legislature. Since 1937, Mr. Hallows has represented the Fourth Judicial Circuit of Florida as state's attorney.

FORT WORTH & DENVER.—C. L. Williamson, assistant general freight agent, Fort Worth, Tex., promoted to general freight agent there, to succeed J. Grady May, elected a member of the Rate Committee of the Southwestern Freight Bureau. Fred A. Lewis named to succeed Mr. Williamson. Carroll J. Mathews appointed assistant general freight agent, Fort Worth.

ILLINOIS CENTRAL.—Charles H. Mottier, vice-president in charge of engineering, Chicago, retired April 30. John M. Trissal, chief engineer, elected vice-president and chief engineer, effective May 1.

SANTA FE.—R. M. Champion, acting superintendent, Plains division, Amarillo, Tex., appointed assistant to general manager there, succeeding R. C. Martini, who retired March 31. W. R. Henry, who has been on temporary special assignment (Railway Age, Feb. 17, p. 32), has resumed his duties as superintendent, Plains division, Amarillo. Roy D. Clousing, superintendent of the terminal operating division, Chicago, appointed assistant superintendent of safety there. Ray Hart Adams, acting superintendent, San Francisco, named to replace Mr. Clousing. Effective April 1, the jurisdiction of S. Rogers, superintendent, Fresno, Cal., extended to include the San Francisco Terminal division, replacing E. O. Bagenstos, temporarily assigned to other duties. J. M. Rice appointed signal engineer, Los Angeles, succeeding the late E. R. Frachisour.

Gus Svalos appointed attorney, Chicago. W. E. Robey appointed assistant bridge engineer system, Chicago.

Ernest S. Marsh, president, elected chief executive officer, to replace Fred G. Gurley, chair-

man of the board and chief executive officer. Mr. Gurley will continue as chairman of the board.

W. B. Cash appointed assistant to general manager, Los Angeles, to succeed J. M. Elliott, who retired April 30.

J. A. Sollenberger named chief-transportation department, Los Angeles.

SOO LINE.—G. A. Ehlers appointed auditor of pay rolls, Minneapolis, succeeding E. F. Fisher, who retired March 31.

SOUTHERN PACIFIC.—Frank C. Nelson, assistant vice-president of freight traffic, San Francisco, retired March 31.

Effective May 1, the department designated Motive Power Department changed to Mechanical Department and titles of officers affected changed to conform.

UNION PACIFIC.—Alexander McKerron appointed general traffic agent, Vancouver, B.C., Canada.

VIRGINIAN.—L. A. Norfleet, auditor, Norfolk, Va., appointed comptroller there, succeeding M. B. Goldblatt, who retired May 1.

OBITUARY

John Cochrane, 57, freight traffic manager, Minneapolis & St. Louis, Pittsburgh, died April 12.

Charles B. Kerr, 50, recently appointed assistant vice-president—traffic, Minneapolis & St. Louis, died April 26 in his home at Minneapolis.

Everett L. Repass, passenger traffic manager, Norfolk & Western, Roanoke, Va., died suddenly April 20.

Curtis L. Dozier, 50, general passenger agent, Chesapeake & Ohio, Richmond, Va., died April 19 of a cerebral hemorrhage.

Ward Wire, vice-president and director, Colorado & Wyoming, died April 19 at his home in Denver, Colo.

Harry L. Porter, 52, general passenger agent, Baltimore & Ohio, New York, died May 6 at University Hospital.

Supply Trade

William E. Olds, vice-president in charge of sales, Standard Railway Equipment Manufacturing Company, Chicago, has been appointed president and general manager of the railway equipment division. William E. Bikle has been named general sales manager and John A. Brossart manufacturing manager of the division's Hammond, Ind. plant.

Herbert A. Boas, Jr., has been appointed director of marketing of the Budd Company, Philadelphia. Mr. Boas was formerly manager of sales promotion for Sinclair Oil Corporation.

Frank E. Pringle, assistant general sales manager, named general sales manager of the Howe Scale Company, division of Safety Industries, Inc., at Rutland, Vt.

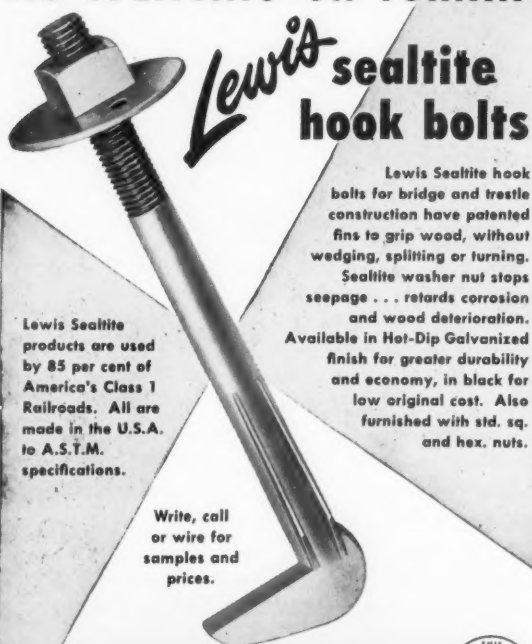


William E. Olds



Herbert A. Boas, Jr.

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Fairbanks-Morse & Company	32-33
General American Transportation Corporation ..	16-17
General Railway Signal Company	Back Cover
Greenville Steel Car Company	11
Hotel Cleveland	43
Hunt Company, Robert W.	45
Iron & Steel Products, Inc.	45
Lewis Bolt & Nut Company	45
Okonite Company, The	Inside Back Cover
Pullman-Standard Car Manufacturing Company ..	22-23
Rail & Industrial Equipment Company, Inc.	45
Rail Joint Company	27
Railway Educational Bureau	45
Rust-Oleum Corporation	29
Sperry Rail Service Division of Sperry Products Inc.	8
Texas Company, The	Inside Front Cover
Union Pacific Railroad	34, 35, 36
Union Switch & Signal Division of Westinghouse	
Air Brake Co.	4
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It's Now or Never

Not since the Esch-Cummings Act became law on February 28, 1920, has the railroad industry received as high a degree of serious and constructive attention from Congress, as that accorded in the recommendations of the Smathers subcommittee.

It now remains to be seen, in the short time before Congress adjourns, whether these recommendations will be enacted into law. If so, the situation of the railroads will change immediately and sharply for the better. If not, then the railroads—and the country—will be in for trouble.

The subcommittee's proposals were reported in our last week's issue and need be only briefly enumerated here, viz:

1. Government guaranty of some loans for improvements and other purposes.
2. Provision for a "construction reserve"—deferring taxes on sums set aside for improvements.
3. Removing from railroad rate regulation the possibility that regulators may set rates at levels to constitute an "umbrella" for the railroads' rivals.
- 4 and 5. Giving ICC power to over-rule state commissions if they set rates, or require continuance of unprofitable service, to a degree to endanger interstate commerce.
6. Limiting somewhat the "agricultural exemptions" from truck regulation.
7. Curtailing the "buy and sell" subterfuge in escaping truck regulation.
8. Establishing a 3-man study group to report on important issues of transport policy.

In addition, on matters beyond its own jurisdiction, the subcommittee recommended (1) repeal of transportation excise taxes; (2) a fairer basis for mail pay; and (3) permitting more rapid depreciation of railroad plant and equipment. The report recognized the special problems of the railroads providing commuter service, but said that their solution lies with local governments.

This report does not cover *all* the legislative ground necessary to re-establish the railroads on a fair and firm basis for growth in keeping with their economic merit. For example, it makes no provision for adequate user charges for the fixed plant the government provides for barges, planes

and highway vehicles. It does nothing to correct the "second-class citizenship" suffered by the railroads, in being denied equal rights to engage in other forms of transportation.

But it is no criticism, either of the recommendations the committee *did* make—or of the committee itself—thus to record a couple of omissions from its program. The important fact is that the committee covered a lot of ground in some three months of work—and everything that it *did* recommend is important and constructive. There is no question whatever that its program, if enacted, would remove the crisis from which the railroads are now suffering.

Events of the past 40 years have shown that intelligent interest in the railroads on Capitol hill is an essential ingredient of railroad growth and prosperity. In the Esch-Cummings Act of 1920, Congress gave the railroad industry a regulatory framework which was admirably fitted to conditions as of 1920. The consequence was that the railroads, during the 1920's, enjoyed the most satisfactory period of orderly growth and prosperity in their history.

But, since 1930, the conditions surrounding the railroads have undergone comprehensive change—through the growth of competing forms of transportation.

The monopoly disappeared, but not the Esch-Cummings approach to regulation—which was predicated on that monopoly. If we now get a transportation law which is as up-to-date for 1958 as the Esch-Cummings Act was for 1920—then the railroads will prosper again, as experience shows they do prosper under a realistic law.

IT'S UP TO US ALL: There is no one thing Uncle Sam could do which would provide so much recovery from the recession as adopting the Smathers group's recommendations. And it wouldn't cost the taxpayers a cent.

The president of a big railroad last week said, if the Smathers program were enacted, his road would immediately restore its program of capital improvements—now completely suspended. Many other railroads would do the same.

Railway officers, employees, suppliers, shippers, investors — all have a vital stake in the speedy enactment of the proposed legislation. This goes, too, for everybody concerned with America's military defense. Tell your congressmen!



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